



## HINGHAM MUNICIPAL LIGHTING PLANT

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### General Manager

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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 Plan (HMLP) was called to order at 0800 on March 11<sup>th</sup>, 2016 at the Hingham Municipal Light Offices at 350 Lincoln Street, Hingham, Massachusetts.

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

### **Regular Meeting**

#### **Approve previous month's minutes:**

On a motion duly made and seconded it was unanimously voted to approve the minutes of the February 23rd meeting.

#### **Cost of Service Study: methodology for studying net impacts of distributed energy resources, including demand response, energy efficiency and solar power on HMLP costs**

The General Manager described a request by the Secretary that, as we consider our net metering policy, to include the net impacts of distributed energy resources, including demand response, energy efficiency initiatives and solar power on HMLP costs. The US Supreme Court just approved the inclusion of demand response as a resource in the wholesale energy markets and we should think about that as well. The General Manager said that to include demand response initiatives by customers we need to have a way to collect real time metering information from those customers and that today we do not have the infrastructure in place to collect that data. The AMR meters we are installing are capable of transmitting information to us 24 x 7 but we need to have a fiber type "path" for the data to travel back to us. Until that happens we can't bill on time of use or credit folks for demand response.

A discussion took place regarding net metering and the imposition of a distribution charge. The General Manager described the rationale of charging a per kWh charge on the electricity solar customers produce and use: HMLP's per kWh rate is designed to pay for distribution costs as well as supply charges. While the light plant doesn't have to buy electricity from the market that HMLP solar generators are producing and are using there are per kWh dollars lost by solar customers who are not paying that percentage of the rate that goes into maintaining our infrastructure. The Secretary offers that we don't charge people if they go away on vacation, use less electricity and thus contribute less to maintain the system. We also don't charge people on a lost per kWh who make energy efficiency improvements to their homes. When they make those improvements they use less kWh and contribute less. He feels that we are penalizing the solar folks with this charge. The Secretary talked about a study the Acadia Group has done that demonstrates that when multiple items such as capacity values and ancillary services and locational values and other factors are included in the calculation of the value of solar there is a net positive system value to having distributed solar power on our system. The Secretary said there is so little solar in Hingham the loss of the distribution dollars is minimal and doesn't impact the light plant in any material way. The General Manager thought that to wait until there is a material impact before adjusting is a mistake. There will be too many customers impacted by a change at that point. It will be similar to what is happening in Nevada. There was also a conversation about grandfathering existing solar customers vs not. No decision was made regarding that matter. The Secretary described his advisory work with a group in

Belmont that took exception to what that Light Plant did regarding what was felt by some as an unfair charge. It became a particularly contentious issue and the Secretary hopes to avoid having that happen in Hingham. The consultant began to review the results of his analysis. He thought an appropriate amount for HMLP to reimburse a solar customer the excess energy a solar customer sends HMLP should be tied to the ISO LMP price. He said that since the solar customers are sending energy to HMLP basically 7 days a week between the hours of 9-5, the LMP hours, that amount makes sense. That amount is \$.03624. The Secretary felt that number was much too low and did not reflect the true and total value solar brings to the system. The General Manager and Secretary both agreed that the long term financial health of HMLP is critical to its continuing to be able to provide excellent service.

A discussion began on whether HMLP should allow its customers to enter into lease agreements with solar providers. The General Manager said that if we allow people to enter into PPA type leases we would be opening up the door to allowing electricity providers to sell directly to our customers. We would lose our exclusivity to provide electricity and our long term supply contracts could prove to be a financial drag on the system if others could cherry pick our largest customers. The Secretary said that large a capital outlay could discourage someone who might be interested in solar and can only afford it with a lease. He was unaware of any vendors who write solar leases that are not PPAs. The General Manager said he knows of 3 who do and has provided their names to HMLP customers who have expressed an interest in a lease.

**Executive Session:** none

**Other business:**

- a. warrant signatures
- b. correspondence

**Motion to adjourn**

Meeting was adjourned at 0930.