



HINGHAM MUNICIPAL LIGHTING PLANT

31 Bare Cove Park Drive
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 Freeman, Secretary

Formatted: English (United States)

Meeting Called to Order:

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (MHLP) was called to order at 0735 on Tuesday, November 10th, 2017 at the Hingham Municipal Light Offices at 31 Bare Cove Park Drive, Hingham, Massachusetts.

Present: John P. Ryan – Chairman, John A. Stoddard – Vice Chairman, Roger Freeman – Secretary, Paul G. Heanue – General Manager, Michael Mullaley

Approval of Meeting Minutes:

The meeting minutes from the September 12th, 2017 meeting were presented for approval.

MOTION

A motion was duly made by the Vice-Chairman to accept the minutes as amended. The Secretary seconded and it was unanimously voted to approve the amended minutes of the September 12th, 2017 meeting.

The meeting minutes from the September 26th, 2017 meeting were presented for approval.

MOTION

A motion was duly made by the Vice-Chairman to accept the minutes as amended. The Secretary seconded and it was unanimously voted to approve the amended minutes of the September 26th, 2017 meeting.

Storm Update:

Hingham: The General Manager provided an update regarding HMLP operations during the the wind storm that began on Sunday, October 29th and lasted until Monday, October 30th. With more than 1200 customers affected, HMLP staff worked overnight and overtime to get the power back on for everyone by Tuesday night.

Mutual Aid: Two (2) linemen were sent to Orlando, Florida to assist with recovery efforts from Hurricane Irma for approximately 10 days. They were working 14-16 hours per day. HMLP's costs for this effort were about \$45,000.00 (salaries, trucks, expenses for fuel, hotels, and meals for travel) and an invoice has gone out to the host utility, Orlando Utility Commission (OUC). The General Manager said he doesn't expect to encounter any problems getting reimbursed. It is anticipated FEMA money will become available to OUC.

MOTION:

A motion was duly made by the Secretary to commend HMLP employees for the services they provided the Town during the recent wind storm and Florida's and St Thomas' mutual aid. The Vice-Chairman seconded the motion and it was unanimously voted to issue a proclamation commending HMLP's employees for their recent efforts in recovering from local and national storms.

LED lights

Hingham has approximately 2400 street lights high pressure sodium (HPS) street lights to replace with Light Emitting Diode ones (LEDs). The new street lights were purchased with assistance from state grant money available to Hingham and other municipal light plants in MA. The grant will pay for 50% of the capital costs for LED street lights. These lights are much more efficient to operate and will create savings that HMLP can pass through to the Town.

Financials

The General Manager reviewed the financials with the Board. Revenue for September 2017 was approximately \$2.4m. Expenses were \$2.1m and Net Income was \$244.5k. Net Income in September 2016 was \$1.2m. \$300k of this \$900k difference can be attributed to HMLP getting true up money back from MMWEC in August this year and in September last year.

kWh sold September 2017 (18.2m) was not significantly different from 2015 (18.3m) but revenue was about \$600k less. This can be attributed to the rate decrease. This was a 25% decrease in revenue 2017 vs. 2015. September 2017 had the coolest temperatures of September 2015, 2016 and 2017.

The ytd Revenue was \$21.6m. The ytd Expenses were \$17.7m. and kWh sold ytd are 149M. This is less than 2015's (156.7m) and 2016's (154.4m). 2017 was simply not that hot a summer. The peak this year was June 13, 2017. Most always it happens in July and August. This year we had a cool, wet spring but not so cold for people to have their heat on. The cooler summer and warmer winter coupled with energy efficiencies brought the ytd kWh sold down. 2017's Net Income YTD is \$3.9M which is higher than 2015's and 2016's even though kWh sold was less and rates were decreased. This number is up because we received \$1.4m from the Seabrook and Millstone plants in connection with the repayment of outstanding bonds. The General Manager discussed future operations and prospects for nuclear facilities.

New Building

The General Manager explained that the landscape contractor finally got the lawn to grow in properly. The problems with the HVAC system have been resolved and all systems are finally working properly. HMLP held back \$20k due the general contractor until these issues were resolved. The final payment authorization is in process to go to CTA. Additional work is required to improve drainage at the intersection of our proposed driveway, Adams Court and the entrance to the DPW facility. The contract price is \$85K plus CTA's markup for managing the project bringing the total to approximately \$100K.

Personnel

The General Manager reported that HMLP hired a customer service representative this summer and that she is working out well.

The apprentice lineman that we very recently hired was terminated last week.

RECs: sell, buy, retire....

The Board continued prior discussions regarding HMLP renewable energy use and carbon reduction strategies. The Board was in general agreement about the importance of increasing HMLP renewable energy supply and reducing our carbon emissions. The General Manager reported that the language on the HMLP website was recently changed to reflect the Board's concerns regarding how we were describing the makeup of our supply resources.

The General Manager reviewed materials prepared by ENE regarding HMLP energy supply and options for utilizing Renewable Energy Certificates (RECs) to support claims of renewable energy use and

carbon emission reduction. The Board discussed the different options and strategies presented and the associated policy and cost implications. The Secretary said he would like to see HMLP be 100% carbon free by retaining its current RECs and would like us to buy Maine Existing RECs to offset our fossil fuel supply, because they represent clean energy that comes from same grid as the bulk of our energy supply. The Chairman stated that he could support the goal of going carbon free but wanted to pursue the least costly option to do so.

Motion: The Chairman makes a motion to sell HMLP's RECs and offset them and our remaining load with Green E RECs for one year and review the outcome of that the next year. The General Manager noted this is what is displayed on slide 11 of the materials provided by ENE. There was no second to this motion. The Chairman noted since there was no second he will withdraw his motion and suggests the Secretary offer an alternative.

Motion: The Secretary made a motion for Hingham to go Carbon Emission free by:

1. Retiring RECs HMLP has or will acquire in the future;
2. Purchasing Maine existing RECs sufficient to cover the energy supply which comes from fossil fuel sources or renewable energy sources for which we don't own or retain the RECs or other carbon emission credits. The General Manager noted this is displayed on slide 8 of the materials provided by ENE. The Vice-Chairman added we've been talking about this for months and it's time to do make a decision. He added going carbon free is the right thing to do.

After discussion, the motion was to take the action for years 2017 and 2018 and the Board agreed to revisit the strategy at that time. The motion was duly made by the Secretary and seconded by the Vice-Chairman and the vote was unanimous.

Motion to Adjourn the Regular Meeting

On a motion duly made by the Secretary and seconded by the Vice Chairman it was unanimously approved to adjourn the meeting at 0922.