



# HINGHAM MUNICIPAL LIGHTING PLANT

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

REGULAR MEETING  
HINGHAM MUNICIPAL LIGHT BOARD  
October 18<sup>th</sup>, 2019  
7:30 A.M. – HMLP offices  
**Meeting Minutes**

### **Meeting Called to Order:**

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order at 0737 on Friday, October 18, 2019 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 M. Freeman, Secretary; Paul Heanue, General Manager (GM); Tom Morahan, Assistant General Manager (Assistant GM), guest Michael Reive.

### **Approval of Previous Meeting Minutes:**

The GM presented the meeting minutes for the September 5, 2019 meeting to the Board for their consideration.

### **MOTION**

**A motion was duly made by the Vice-Chairman to accept the minutes of the September 5, 2019 meeting. The Secretary seconded and the Board voted to approve the minutes of the September 5, 2019 meeting.**

### **Legislation, H. 2863 and H. 3893**

In January 2019, the Municipal Electric Association of Massachusetts (MEAM) met and wrote a piece of proposed legislation H. 3893 which would require municipal light plants (munis) to have to follow the same percentage requirements as Investor Owner Utilities (IOUs), but also be able to count existing contracts and nuclear, continue to sell Renewable Energy Credits (RECs) and pay a fine if the percentages were not met (the “MLP bill”). At the September 5<sup>th</sup> meeting, the Board reviewed the MLP bill and Legislation, H 2863, a bill proposed by Joan Meschino and others (the “Meschino bill”), and agreed that they would prepare a letter to the drafters of both bills expressing their concerns regarding the bills and asking for adjustments. The Secretary prepared the basis of a proposed letter to the drafters and the Board reviewed. The Board agreed to not take a position as to either bill and requested that the GM review the Secretary’s letter and propose revisions to the letter for the Board’s consideration.

### **Renewable Energy Credits (RECs)**

In November 2017, the Board voted to take the steps necessary to allow HMLP to be able to describe all of its supply as carbon-free. HMLP voted to retire Renewable Energy Credits (RECs) it “owns” and to buy replacement RECs to cover the rest of its fossil fuel supply. In its 2017 action, the Board also voted to revisit this decision in 2019.

The 2018 cost of retiring RECs was approximately \$300k. In 2018, retiring RECs and not selling them, resulted in a loss of opportunity of \$138k. Energy New England (ENE) is estimating a total cost, including both lost

opportunity and actual dollars spent, of around \$670k to be carbon-free in 2019. If you combine the lost opportunity value of selling RECs and the cost of buying the cheaper Class II RECs to support the current fossil-based generation, it comes to the cost of \$670k. The cost associated with retiring the Hingham Class I RECs is estimated at \$565k for 2019. To assist them in deciding whether or not to retire RECs for 2019, the Chairman suggested that they need to conduct a load study and create a plan from 2020 to 2050 of what its future goals are and what the cost is to achieve them. The GM agreed to look into what type of study is needed and the associated costs.

### **Financials:**

The GM presented the Board with financial statistics for August 2019.

- kWh sold in August 2019: 22.1m kWh was higher than both August 2018: 21.8m kWh and August 2017: 20.2m kWh.
- Revenue for August 2019 was \$3.5m, August 2018 was \$3.3m and August 2017 was \$2.7m. The increase in revenue is a result of the rate increase.
- Expenses for August 2019 was \$2.5m and August 2018 was \$3.1m and August 2017 was \$758k. The price of natural gas has been low.
- Net income for August 2019 was \$1.0m, August 2018 was \$179k and August 2017 was \$1.9m.
- YTD kWh sales for August 2019 was 130.3m kWh, for 2018 was 135.4m kWh and 2017 was 132.3kWh.
- Revenue YTD August 2019 was \$21m, \$18.6m for 2018 and \$19.3m for 2017.
- Expenses YTD August 2019 were \$19.2m, \$19.1m for 2018 and \$15.6m for 2017.
- Net Income YTD for August 2019 was \$1.8m, for 2018 was \$(439k) and for 2017 was \$3.7m.

### **Updates:**

**Battery Storage:** HMLP received twelve (12) bids for its battery storage project. The GM asked the submitting companies to provide several different scenarios for battery storage by the end of November 2019 (i.e. ownership, shared savings, strict PPA, etc.). The information will then be analyzed by HMLP's consultant, FRACTAL.

**Transmission Lines:** The GM is still waiting for Eversource to review HMLP's proposal and determine feasibility of bringing a new transmission line in from Weymouth.

**Occupational Safety and Health Administration (OSHA):** Beginning January 2019, government agencies are required to follow OSHA rules. HMLP brought in a consultant to review current practices, and it was found to be in overall compliance with OSHA rules and will work on the issues that need to be resolved.

### **Executive Session:**

**At 0840 on a motion duly made by the Vice-Chairman and seconded by the Secretary it was unanimously voted to move to Executive Session.**

**At 0845 on a motion duly made by the Vice-Chairman and seconded by the Secretary it was unanimously voted to come out of Executive Session.**

### **Motion to Adjourn**

**At 0846 on a motion duly made by the Vice-Chairman and seconded by the Secretary it was unanimously voted to move to Adjourn.**

