



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

May 5, 2020
7:30 A.M. – Meeting via Zoom

Zoom link:

https://us02web.zoom.us/rec/play/usJ5c-z5qG43EtDG5ASDAPB5W9S9e6Os0yhI-aFezUe3AnNOYFajM7IXMOJVKL8A4YAgMp8mLst_0kx3?continueMode=true

MEETING NOTES

Meeting Called to Order:

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order at 0730 on Tuesday, May 5, 2020 via Zoom.

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); Paul Hibbard, Scott Ario and Grace Howland of the Analysis Group; Representative Joan Meschino; guest Laura Burns, Hingham resident, former Selectman and current Senior Intern to Representative Joan Meschino.

Review Analysis Group DRAFT report

The state of Massachusetts has mandated economy-wide reductions in carbon emissions getting to zero by 2050. Paul Hibbard of the Analysis Group (AGI) presented the Board with a preliminary analysis of impacts of electrification on Hingham Municipal Light Plant's load, generation and emissions. Hibbard explained that their analyses assumes that (a) by 2040, 50% of residential homes in Hingham switch from gas or oil heating to electric heating; and (b) 50% of individuals with light-duty vehicles switch to an electric vehicle. AGI analyzed the following questions: (1) what is the impact on HMLP's annual load shape; (2) what is the impact on HMLP's daily load shape on peak winter and peak summer days; (3) what is HMLP's current generation mix and how is this projected to change in the future; and (4) what is the impact of electrification on economy-wide emissions. AGI's analyses focuses only on residential, and, as a result, Hibbard suggested HMLP survey commercial and industrial customers to see what form of heating they use to determine commercial forecast regarding peak changes. The GM will track down the current heating profile for commercial load for the Board. The Chairman explained HMLP needs to know what the electrification goal is and its impact regarding its distribution system. We already know we need a second transmission connection to the grid and a second substation or expansion of the existing substation for reliability. We also may need them for capacity as well. Hibbard opined that (1) the Town needs to think through carefully whether or not it's infrastructure is sufficient to keep the lights on and allow for electrification; and (2) know that level of electrification is coming over the next couple of decades. Paul Hibbard reviewed pieces of his report for the Board.

Rep. Joan Meschino on H. 3983

Representative Joan Meschino filed bill H. 3983, also known as the “2050 Roadmap bill.” Rep. Meschino explained that the 2050 Roadmap bill is an update to the Global Warming Solutions Act (2008), which committed Massachusetts to carbon emission reduction goals of (a) 10% below statewide 1990 green house gas emission levels by 2020; and (b) 80% below statewide 1990 green house gas emission levels by 2050. Rep. Meschino presented the Board with the goals of the 2050 Roadmap bill which include resetting 2050 reduction targets to Net-Zero through a low-cost, job-creating, equitable, public and environmental justice lens. Section 8 of the 2050 Roadmap bill clarifies that municipal light plants are regulated by the Global Warming Solutions Act. Municipal light plants as a whole are ahead of the curve at 49-50% renewables in the aggregate. HMLP is significantly ahead of the curve. Both H. 3983 and the MEAM bill (H. 4553 f/k/a H. 2863) are currently pending in the house ways and means. The MEAM bill recently came out with substantial changes including a net zero target. This is the same target proposed in the 2050 Roadmap. Rep. Meschino explained the bills are not necessarily competing but rather are bills with two different mechanisms to get to the same endpoint. The GM expressed the Board’s concern with H. 3983 that while the DEP regulations classify nuclear as non-emitting there is a cut off for contracts signed prior to December 2010. The effect of that is Seabrook and its energy will not be counted as carbon free. Rep. Meschino explained that Section 8 of H. 3983 provides munis are in and regulated and they can have their own individual plans on how to get there.

The Chairman left the meeting at 0947.

Approval of Previous Meeting Minutes

The GM presented the meeting minutes for the April 1, 2020 meeting to the Board for their consideration.

MOTION

A motion was duly made by the Secretary to accept the minutes of the April 1, 2020 meeting. The Vice-Chairman seconded and they unanimously voted to approve the minutes of the April 1, 2020 meeting.

The GM presented the meeting minutes for the April 15, 2020 meeting to the Board for their consideration.

The Secretary opined that a vote taken at the April 15, 2020 meeting was intended to give the GM the authority to make decisions regarding retiring RECs and/or buying replacement RECs for 2019 RECs only and the April 15, 2020 minutes do not reflect such. The Secretary and Vice-Chairman agreed to table the discussion/review of the April 15, 2020 meeting minutes until the next meeting.

Financials

The GM presented the Board with financial statistics for March 2020.

- kWh sold in March 2020: 13.9m kWh, March 2019: 14.8m kWh and March 2018: 14.1m kWh.
- Revenue for March 2020 was \$2.3m, March 2019 was \$2.4m and March 2018 was \$1.9m.
- Expenses for March 2020 was \$2.1m, March 2019 was \$2.3m and March 2018 was \$2.4m.
- Net income for March 2020 was \$177k, March 2019 was \$98k and March 2018 was \$(456k).
- YTD kWh sales for March 2020 was 47.3m kWh, for 2019 was 48.5m kWh and 2018 was 50.4m kWh.
- Revenue YTD March 2020 was \$7.7m, \$7.7 for 2019 and \$6.5m for 2018.
- Expenses YTD March 2020 were \$7.2m, \$7.8m for 2019 and \$7.7m for 2018.
- Net Income YTD for March 2020 was \$443k, for 2019 was \$(137k) and for 2018 was \$(1.2m).

Status of COVID-19 changes to HMLP operations

HMLP supervisors are looking at each individual request (new service, temp services, demolitions, etc.), and determining if the linemen can do that job, maintain social distance and if the nature of the job is such that they can break from it quickly to respond to trouble.

Renewable Energy Credits (RECs) status

At the April 15, 2020 meeting, the Board voted to give the GM the authority to make decisions regarding retiring RECs and/or buying replacement RECs. As a result, the GM instructed ENE to sell Class I RECs, retire Class II RECs and buy replacement RECs and offsetting Class II RECs for remainder of fossil fuel supply. The amount netted was \$400k. The Class I RECs in mid-February were \$39/REC, and \$25/REC in mid-May.

Updates

Battery Storage

HMLP received twelve (12) bids for its battery storage project. The parties finalized the contract terms with the bidder whose proposal was the most attractive, and are now negotiating an interconnect agreement. When the parties finalize the interconnect agreement, the GM will walk the Board through the contactor's presentations about the system and operations.

Transmission Line

A new transmission supply source and sub-station is expected to become necessary in connection with the Hingham Net Zero effort but for the here and now is needed for added reliability (should a catastrophic failure of a structure/s or incident take both supply lines out of service). HMLP approached National Grid and Eversource, re. where would we tap into an existing transmission line to bring a third transmission line into Town. National Grid stated that it would have to re-build a couple of transmission lines in order to do so and HMLP would be solely responsible to pay for that project, and our consultants concurred, since it would only be done to satisfy HMLP. It would not qualify to be socialized amongst ISO-NE customers. That cost is estimated to be \$5-6m. Eversource is conducting an engineering study to see what, if anything, they will need to do to provide Hingham with another transmission line. That study is currently underway and, per Eversource, they should have the report to the Board soon. The GM is in the process of evaluating environmental consultants to work with HMLP in terms of permitting. HMLP hired an individual to help with the evaluation. This individual worked on the Belmont new substation project.

Motion to Adjourn

On a motion duly made by the Vice-Chairman and seconded by the Secretary it was unanimously approved to adjourn the meeting at 1022.

