



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 27, 2020
7:30 A.M. – Meeting via Zoom

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 0736 on Tuesday, October 27, 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); guests Turner Bledsoe and Mike Reive, Hingham residents.

Discuss battery with Fractal consultant

Daniel Crotzer of Fractal Energy Source Consultants (“Fractal”). Fractal was engaged to perform the following tasks in connection with the battery storage project at the HMLP building; (1) conduct a ten (10) step feasibility study; (2) represent HMLP in the drafting and management of negotiations with contractor; (3) conduct transmission studies and oversee the interconnection process; (4) oversee construction and installation of the battery; and (5) engage in operation management. Crotzer presented the Board with an overview of what the battery will look like, how it works and the anticipated benefits it will provide. The delivery date for HMLP’s battery storage project is targeted for December 18, 2020. The GM will send Crotzer’s powerpoint to the Board and make it available on the HMLP website.

Approval of Previous Meeting Minutes

The GM presented the meeting minutes for the September 29, 2020 meeting to the Board for their consideration.

MOTION

A motion was duly made by the Chairman to accept the minutes of the September 29, 2020 meeting. The Secretary seconded and they unanimously voted to approve the minutes of the September 29, 2020 meeting.

Financials

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

- kWh sold in August 2020: 23.1m kWh, August 2019: 22.1m kWh and August 2018: 21.8m kWh.
- Revenue for August 2020 was \$3.7m, August 2019 was \$3.5m and August 2018 was \$3.3m.
- Expenses for August 2020 was \$2.5m, August 2019 was \$2.5m and August 2018 was \$3.1m.

- Net income for August 2020 was \$1.1m, August 2019 was \$1.0k and August 2018 was \$179k.
- YTD kWh sales for August 2020 was 129.2m kWh, for 2019 was 130.3m kWh and 2018 was 135.4m kWh.
- Revenue YTD August 2020 was \$20.9m, \$21m for 2019 and \$18.6m for 2018.
- Expenses YTD August 2020 were \$18.1m, \$19.2m for 2019 and \$19.1m for 2018.
- Net Income YTD for August 2020 was \$2.8m, for 2019 was \$1.8m and for 2018 was \$(439k).

In Massachusetts, municipal light plans cannot have more than an 8% return. In the event HMLP's return is over 8%, the GM will petition the DPU to increase the depreciation contribution. By statute the depreciation contribution is 3% and munis can petition to go up to 5%. Currently, the revenue is projected to be a little under 8%. If the depreciation contribution is increased to 5% for November and December 2020, the return is projected to be under 7%.

Per statute, the Town holds HMLP's money. The Town has a warrant article in which the Town votes to turn HMLP's money over to HMLP. The GM received a call from the Chair of the Advisory Committee inviting the GM to attend the September 29th Advisory Committee meeting to discuss HMLP's green energy plans and HMLP's willingness to provide financial assistance to the Town. The GM attended the September 29th meeting and expressed to the Committee that the numbers on HMLP's balance sheet are spoken for. The Committee had no specific monetary ask for HMLP.

Resumption of commercial collection activity

In the last month, the DPU permitted municipal light plans to commence shutting off service for commercial customers for non-payment. The Secretary suggested creating a rainy-day or COVID relief fund to assist customers who are unable to pay their bill due to the current economic crisis. The GM will look into if this is permitted.

Updates

COVID-19 changes to HMLP operations

HMLP provided its field employees with fire-retardant masks. HMLP has not had any confirmed cases of COVID-19 regarding its employees.

Battery Storage

The structural engineer inspected the concrete pad to confirm it was 4 feet deep and discovered that it was not 4 feet all the way around. The contractor is calculating what they need to do, if anything, to support the weight of the battery for 20 years. The contractor is still on track for the December 18th delivery date.

Transmission Line

HMLP is proposing to build a 3 ¼ mile underground transmission line to address reliability and capacity needs. Currently the Town is served by two (2) transmission lines on a single set of structures. The new line will be a second independent feed. Construction is anticipated to commence in 2023 with initial operations beginning in 2024. The new transmission line is needed as Hingham moves toward electrification and to support the future load of the Amazon distributing center possibly going in the industrial park. HMLP has identified the landing spots and needs to meet with Eversource to discuss their level of interest in selling land for the tap station.

MBTA's Solar Arrays

The solar arrays at the Fort Hill Station and Nantasket Junction are now energized.

Landfill

HMLP exchanged PPAs with the vendor and they are preparing the package to submit to the Town for permitting.

Mission Statement and Bylaws

At the June Board meeting, the Board discussed drafting and implementing a mission statement and bylaws. The Secretary drafted three proposals of mission statements for the Board's consideration.

MOTION

A motion was duly made by the Chairman to adopt the following as the new mission statement of HMLP "It is the Mission of HMLP to provide reliable electric services to the Town of Hingham while keeping rates reasonable, service quality high, and operations environmentally sustainable, including a commitment to 100% carbon free energy." The Vice-Chairman seconded the Motion.

VOTE

The Board unanimously voted to adopt "It is the Mission of HMLP to provide reliable electric services to the Town of Hingham while keeping rates reasonable, service quality high, and operations environmentally sustainable, including a commitment to 100% carbon free energy" as the new mission statement of HMLP

Other new business

Hull is bringing an action in the DPU regarding the lack of reliability in service by National Grid. The GM spoke with National Grid on September 28th. National Grid asked the GM if HMLP is able to assist in the reliability issue they have in Hull (i.e. turning over its lines to HMLP).

Motion to Adjourn

On a motion duly made by the Secretary and seconded by the Vice-Chairman it was unanimously approved to adjourn the meeting at 0921.