



# HINGHAM MUNICIPAL LIGHTING PLANT

31 Bare Cove Park Drive  
Hingham, MA 02043-1585  
(781) 749-0134 FAX (781) 749-1396  
[www.hmlp.com](http://www.hmlp.com)

General Manager  
Thomas Morahan  
tmorahan@hmlp.com

Laura Burns, Chair  
Michael Reive, Vice Chair

## HINGHAM MUNICIPAL LIGHT BOARD MEETING REGULAR MEETING HINGHAM MUNICIPAL LIGHT BOARD

**July 26, 2022**

Zoom Meeting

[https://us02web.zoom.us/rec/share/ofbE1O1oWovNP-smS-h3hk-E3PegvJAZGs\\_-jLf0c0TnRkuX9yHzV\\_2WSJuTeXiX.1H2JN24DmI5OkVY?startTime=1658834021000](https://us02web.zoom.us/rec/share/ofbE1O1oWovNP-smS-h3hk-E3PegvJAZGs_-jLf0c0TnRkuX9yHzV_2WSJuTeXiX.1H2JN24DmI5OkVY?startTime=1658834021000)

### **Meeting Called to Order**

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order by Ms. Burns, the Board's Chair, at approximately 0730 on Tuesday, July 26, 2022, via Zoom.

Present:

Board Members: Laura Burns, Chair  
Michael Reive, Vice President

HMLP: Thomas Morahan, General Manager  
Mark Fahey, Assistant General Manager  
Joan Griffin, CPA, Business Manager  
Stephen Giardi, Engineering Manager  
Brianna Bennett, Sustainability Coordinator

Guests: Donald Newall, Director, Wellesley Municipal Light Plant  
Ellen Korpi, Board Member, Wellesley Municipal Light Plant  
Lisa Wolf, Sustainability Coordinator, Wellesley Municipal Light Plant

Others: Members of the Public

Ms. Burns read the following statement into the record:

*This meeting is being held remotely as an alternative means of public access pursuant to Chapter 20 of the Act of 2021 and all other applicable laws temporarily amending certain provisions of the Open Meeting Law. You are hereby advised that this meeting and all communications during this meeting may be recorded by the Hingham Municipal Light Plant in accordance with the Open Meeting Law. If any participant wishes to record this meeting, please notify the chair at the start of the meeting in accordance with M.G.L. c. 30A, § 20(f) so that the chair may inform all other participants of said recording.*

Ms. Burns asked if anyone wished to record the meeting. No response was received.

## **Approve Meeting Minutes: Board Meetings a) June 28, 2022, b) July 1, 2022.**

Ms. Burns requested comments to the minutes for the regular board meeting on June 28, 2022. Both Mr. Reive and Ms. Burns noted some corrections.

**Motion: Ms. Burns asked for a motion to accept the minutes as corrected. Mr. Reive moved to accept the minutes. Ms. Burns seconded the motion. All voted in favor.**

Ms. Burns requested comments to the minutes for the special meeting on July 1, 2022. Mr. Reive noted concern that the Zoom link provided in the minutes might be expired. Mr. Morahan clarified that the link provided is to a recording of the meeting. This was discussed further. Ms. Bennett suggested that the link directs the user to the archived meeting section on HMLP's website. Ms. Burns provided Mr. Morahan with a list of typos.

**Motion: Ms. Burns asked for a motion to accept the minutes with the changes suggested. Mr. Reive moved to accept the minutes. Ms. Burns seconded the motion. All voted in favor.**

## **Wellesley Municipal Light Plan – Opt Out Rate to Fund Incentives**

Ms. Burns welcomed three representatives from the Wellesley Municipal Light Plant ("WMLP") to the meeting – Ms. Ellen Korpi, a WMLP Board member, Ms. Lisa Wolf, WMLP's Sustainability Coordinator and Mr. Donald Newell, WMLP's General Manager. They were invited to the meeting to share information regarding WMLP's renewable energy program known as "WECARE" (Wellesley Electric Customers Accelerated Reduction of Emissions). HMLP may consider adopting a program similar to WECARE.

(Mr. Morahan screen shared WMLP's presentation entitled "Wellesley Electric Customers Accelerated Reduction of Emissions WECARE Program Summary.")

Ms. Korpi kicked-off the presentation. First, she thanked Ms. Burns for creating a platform -- the "Green Light Group" -- for MLPs to get together and exchange best practices and learn together. This Group has been a great resource. Next, Ms. Korpi provided a brief history of WMLP's efforts to develop renewable energy. Over the years, WMLP created various Voluntary Renewable Energy Programs ("VREPs") for its customers to participate in. The VREPs overall had about a 10.5 – 11% participation rate. About 2.5 years ago, WMLP decided to retire all of the RECs it was buying. Around the same time, a Citizens Petition passed at Town Meeting recommending that WMLP implement a 9% opt out program. After much consideration, WMLP thereafter adopted a 4% opt out program -- known as WECARE.

Ms. Wolf spoke next. She first thanked Ms. Burns for inviting them and explained her background. (A slide was shown entitled "WECARE program goals.") Ms. Wolf explained that WECARE allows WMLP the ability to fund items it normally would not put money into – such as financing local renewable energy projects, purchasing green infrastructure, and providing heat pump and weatherization incentives. WECARE also provides a means to increase WMLP's renewable energy portfolio by purchasing RECs.

(A slide was then shown entitled "WECARE Program Funding.") The funding for WECARE comes from a 4% surcharge on residential and commercial electric bills. The surcharge does not apply to municipal or industrial properties. WECARE is an opt-out program. The adoption rate for the program is 93%. Participants can choose to purchase 100% of their energy from renewable resources at \$.044 per kWh. Total annual contribution to WECARE is approximately \$880,000. Those funds are maintained in an escrow account and the activity is reported at each Board meeting.

(A slide was shown entitled "WECARE Program Finances.") The breakdown of the \$880,000 contribution, based on 2020 revenue, is as follows: \$555,878 from residential customers and \$324,437 from commercial customers.

(A slide was shown entitled “WECARE Program Fund Distribution.”) Currently, 15% of WECARE monies go to a solar project at 900 Worcester Street, where the Light Department is developing community solar, and 15% goes toward purchasing renewable energy credits. This leaves 70% toward other projects.

(A slide was presented entitled “WECARE Funding Criteria Process.”) WMLP has criteria for evaluating how to use WECARE funds for projects that reduce greenhouse gas emissions (GHG), such as more community solar and battery storage. Step 1 is to calculate GHG. This is done using a model for carbon incentive analysis developed by the Center for Eco Technology (CET). Step 2 is to calculate generated revenue from a particular project. This includes avoided cost. Step 3 is to determine the cost to the light department. This includes increased rebates. Given those 3 pieces of information, projects can be prioritized (Step 4). Intangibles are considered.

(A slide was presented entitled “WECARE Program Start-Up Steps.”) Ms. Wolf concluded the slide presentation by explaining the steps WMLP took with regard to implementing WECARE. First, final recommendations on the program were submitted to the Board for approval. Thereafter they engaged in a marketing campaign to explain the WECARE program. They also filed for DPU approvals regarding the rate change. WMLP continuously markets the program.

Ms. Burns asked if anyone had questions about the presentation. No questions were raised.

Ms. Burns then raised her own questions concerning program. First she asked why the program was not offered to municipal or industrial customers. Mr. Newell responded. He noted that WECARE was not offered to industrial customers initially since many of these customers, such as Wellesley College and Babson College, engage in their own environmental planning and buy their own RECs in a variety of ways. With regard to municipal customers, there was a budget concern due to COVID. However, there is the possibility that these customers will be considered for inclusion in the program at some point.

Mr. Newell provided some additional comments.

- \* WMLP conducted outreach to make sure customers knew that the WECARE is an opt out program.
- \* Their project at 900 Worcester Street is a large project. They have other solar projects underway and commitments made.
- \* Solar on municipal buildings is not behind the meter.
- \* Their cut-off is 250 kWh of demand.
- \* WMLP considers large customers to be greater than 5 kWh.
- \* WMLP is working on filing modifications with DPU with regard to rates.
- \* WMLP plans to have the majority of its projects built with 3<sup>rd</sup> party PPA.

Ms. Korpi added, among other things, that she favors bringing in capital for projects from other places. WMLP has not considered bonding as a means to fund solar projects.

Ms. Burns asked how long it took them to bring WECARE to fruition. Ms. Korpi stated that it took about a year to develop the program, which has been in place for about a year. A working group helped with its development. The working group included Board members, WMLP staff and volunteers.

Mr. Newell noted that WMLP hoped for an 80% participation rate in the program but ended up with 93%. He attributes this high participation rate as indicative of widespread support for the program. Mr. Reive asked if customers pushed-back on the program. Mr. Newell responded that there was very little push-back. There were some complaints from those that opted out, but no organized resistance.

Ms. Burns asked questions regarding how the fee/charge works. Mr. Newell explained that WMLP’s renewable portfolio, which is about 25% renewable, is considered when calculating what is to be collected from customers. Right now, they use the future prices for Mass Class I RECs, which is between \$39 and \$45, for their calculation. The surcharge is 4.4 cents per kWh for participants to say that they get 100% of their energy from renewable resources. Prior to adopting WECARE, they had VREP programs where participants could get 50 - 100% renewables. The VREP program is now consolidated with WECARE. There is a WECARE 100%

program and a WECARE combined program. Ms. Burns asked if they use program monies to buy specific RECs. Mr. Newell stated that the money is used to buy Mass Class I RECs. Ms. Korpi added that buying RECs was included because the community felt it was important. However, the WMLP's Board has mixed feelings about the value of buying RECs -- and the topic may be up for discussion.

There was some further discussion. It was noted that Ms. Korpi needed to leave the meeting.

Ms. Burns asked if there were any comments or questions. Ms. Griffin asked how much the 4% surcharge amounts to in cents. Mr. Newell noted that the surcharge is 4% of the PPA, the base rate and the kWh charge. Ms. Wolf noted that surcharge for the average customer is \$4.60 per month. This does not change per month. There was additional discussion about the specifics of this. Ms. Burns noted that the rate should be on WMLP's website. Mr. Newell cautioned that they are discussing changes to this with their counsel and DPU. He offered to go over this further with Mr. Morahan and Ms. Griffin.

Ms. Burns asked if there were any public comments. None were offered.

Ms. Burns thanked the WMLP guests for their time.

### **HMLP Incentive Programs – Apartment Rebate Structure – Budget for Programs – Solar/Battery Incentives**

Ms. Burns turned to the next agenda item, noting that the Board wanted to continue its discussion from last meeting about HMLP Rebate structure, the budget and incentive programs. Further discussion is also needed on a weatherization program and an additional assist for lower income people. This will be a future agenda item.

Ms. Burns asked Ms. Bennett to discuss the structure for apartment rebates. Ms. Bennett started by saying that she took a “deep dive” on how the process might work for per unit incentives. She reached out to the Sustainability Coordinator at the Holyoke Light Plan. The Holyoke has per unit incentives. Renters can apply for this. Holyoke has found that mostly single-family homes collect on rebates and not renters.

Ms. Bennett then discussed what a per unit incentive might look for Hingham. If a landlord applies for an incentive on behalf of a tenant, HMLP would need to verify that the landlord has permission from the tenant to use the tenant's electric account. The landlord would be the applicant and not the tenant, given that the landlord owns the unit, and the landlord would get the per unit incentive. Ms. Bennett then, referring to a proposal provided to the Board, discussed different rental scenarios and potential incentive caps. A cap of \$2,250 is proposed for a unit.

Mr. Reive asked what a “unit” is. Ms. Bennett explained that a “unit” would be anything that is owned by another individual. Mr. Reive initiated a discussion on whether they might consider square footage with regard to this. Mr. Morahan and Ms. Bennett noted that applying incentives based on square footage might be difficult. There was further discussion. Ms. Burns noted that in every case, there would be a dollar cap on the incentive.

Ms. Burns posed the question of what might happen where an owner of a 300-unit rental is ready to move forward with doing all of this. Whether HMLP can support that on a per unit basis is questionable. This was discussed, including whether there should be a cap on the number of units incentivized. Ms. Bennett noted that she included a proposal for larger projects, i.e., more than 5 units. Where there are more than 5 units involved, HMLP would then evaluate the situation. She discussed the reasoning for this. Mr. Reive proposed that a grant application might be appropriate where, for example, more than 10 units involved, so that HMLP can evaluate the proposals on a per case basis. In such cases, applicants can come up with a proposal for what they wish to do based on existing rebate programs and HMLP can evaluate that. Mr. Reive stressed the importance of mentoring people through the process and thinking like energy auditors. Ms. Burns added that some people may want heat pumps but haven't weatherized. Mr. Reive noted that using grants helps maintain some control

and might not exhaust the budget. Mr. Morahan added that money can be set aside for a grant program. Ms. Burns suggested using a green fund.

Ms. Bennett continued. Renters are not locked out of incentives. Renters can always apply for incentives. Ms. Burns asked for clarification of this, given that Ms. Bennett's proposal noted that landlords receive rebates and not renters. Renters have the opportunity to get lower rates, but do not get the rebates. The language in the proposal may need to be clarified. This was discussed. Ms. Bennett suggested that renters may want to buy the equipment. Ms. Burns noted that whoever buys the equipment gets the rebate.

Mr. Reive raised concerns with how to address condo associations. He noted that condo associations might handle certain aspects of multi-unit facilities. Ms. Burns noted such issues arose during discussions on how the Meadows might de-carbonize. Linden Ponds is also a concern. What happens when Linden Ponds comes in and says it is ready to decarbonize? Mr. Morahan noted that Linden Ponds is one meter and residents do not pay. This was discussed. Mr. Morahan explained the concept of property metering. Ms. Griffin added that Linden Ponds' rate is G3, i.e., like a large industrial customer. Ms. Burns then raised the issue of who owns equipment with regard to solar connections. This was discussed. Mr. Morahan noted HMLP might need to upgrade lines and perform other work to connect solar. The customer generally pays for what is needed. Ms. Burns then discussed what is happening in Cohasset with regard to its solar efforts. She suggested that they look at "assignment of costs" when they discuss distributed energy. The discussion then turned back to what to do with regard to Linden Ponds. Mr. Morahan suggested that the Linden Ponds be a grant-type situation. Ms. Burns noted that Linden Ponds is "primary metered" and needs its own discussion.

Ms. Burns suggested that HMLP establish a per unit limit. This was discussed. Ms. Burns stated that anything 5 meters and up will be a conversation. There was additional discussion on all of this, including scenarios of what might happen at Derby Street.

Ms. Burns asked about language in the proposal regarding solar units. Mr. Morahan noted that putting 5 different solar units on a building complicates things. Mr. Reive agreed. Different scenarios for solar were discussed. Mr. Reive suggested that solar can go on landlord property and be associated with a tenant account. But what if the solar ties to the landlord's meter? Would the landlord get all the benefit? Ms. Bennett noted that if solar ties to the landlord's meter, it is likely that the landlord would get a regular incentive and not a per unit incentive. There was further discussion. Ms. Burns noted again that anything over 5 units is a conversation. Mr. Reive and Mr. Morahan agreed. Mr. Girardi added that a lot of rentals do not have house meters and are just per unit meters. Ms. Burns noted that they will capture most of that up to 4 units. It is large places like the Meadows and Linden Ponds that are of concern. Mr. Girardi added that if attached to house meters, there would likely be a rolling negative balance.

Mr. Reive stated that, to get to net zero, one wants to produce as much power as is used. He then discussed technical aspects of solar. Ms. Burns noted that not every building in town can have solar. Mr. Girardi noted that Whole Foods, who leases, has its own separate solar meter. Mr. Morahan noted that if Whole Foods did not use all of its power (which it does), the balance would end up as a credit. Mr. Reive raised concerns about incentivizing businesses to become power producers. Ms. Burns asked why. This was discussed. Ms. Burns noted that the Board has taken the position that they would like to see more solar in town. Mr. Reive noted that upgrades might be needed to accommodate energy generated. He added that he can go both ways on the issue. Ms. Burns said she is aiming for net zero for the Town. She explained this further. The issue was raised as to when doing this becomes a commercial activity. Mr. Girardi noted that there is not enough solar in Town to add a transformer. What happens once you start needing a transformer? HMLP has a duty to maintain appropriate voltage. Ms. Burns noted that this is a later conversation.

Ms. Burns turned the conversation back to Ms. Bennett's draft proposal. The specific language of the proposal was discussed, with Ms. Burns asking for specific changes. Ms. Bennett discussed the proposed rebate calculation and the Board asked questions and raised different scenarios. Ms. Bennett asked for clarification as to whether the Board wanted the rebate to be per meter or per housing units? Ms. Burns thought it makes most sense to use the per meter method -- but noted that the consequence of doing this needs to be considered. There

was more discussion. Ms. Burns suggested leaving it up to 4 units and leaving larger applications open for discussion. They would need to establish principles for that.

Ms. Burns recapped where things stood on incentives as follows:

- \* HMLP has adopted a heat pump rebate for residential -- but has not adopted a per unit incentive for landlords and tenants.
- \* HMLP has not adopted anything on weatherization and is working on the language for that.
- \* With regard to solar, HMLP should leave the solar incentives as they are.
- \* They should not institute a battery incentive until they identify a method whereby HMLP can participate. Ms. Burns imagines the battery rebate program as comprising a monthly payment for participation, with, perhaps, a lump sum payment for joining the program. Ms. Bennett added that she received some data from Wellesley on their battery incentives and payback to the light plant, and that she would share this with the Board.

Ms. Burns further noted that there was no motion to change the solar incentive -- so it would be left for now. She reiterated that they are not establishing battery incentives for now -- and that residential heat pump incentives are established. What this means for next meeting is that there should be a finalization of the weatherization program and the piece for landlords. She would like to handle such matters at next meeting. This will allow the Board time to go over what was talked about.

Ms. Burns asked the public for comments. Seeing none, she proceeded to the next agenda item.

### **Municipal Solar**

Ms. Burns lead the discussion on municipal solar. There were recommendations that were adopted at last meeting -- but the Board did not have time to talk about how to act on the recommendations. One recommendation was that HMLP consider packaging some proposals to the Town for bonding after HMLP has gotten their **financial estimates in order**. This does not need to be considered now. The second recommendation was that HMLP consider **third party ownership**. This is underway. The third recommendation was to consider revising the net metering policy.

HMLP needs to form a task force to move forward with the goals of the municipal solar. The Wellesley working group is exactly the model she is thinking of. Ms. Burns spoke to Bill Ramsey about this. A task force can be appointed by either the Board or by HMLP. If the Board appoints the task force, the meetings are subject to the Open Public Meeting Law. If HMLP appoints the group, the task force reports to Mr. Morahan. Ms. Burns offered that this second choice was the best alternative. General agreement to that approach was noted. Ms. Burns also suggested that the task force consist of 3 members -- one from HMLP, one from the Board and someone else. Mr. Girardi was asked to participate. Ms. Burns will suggest another person to Mr. Morahan.

**Motion: Ms. Burns requested a motion to set up a task force to report to the General Manager to pursue the goals laid out in the Municipal Solar Report. Mr. Reive moved for this. Ms. Burns seconded the motion. All voted in favor.**

### **Financials: 3 year summary and YTD -- April 2022**

Mr. Morahan led the discussion. kWh sales are down. Expenses are up. Net income for the month is negative \$147,000.

Mr. Morahan then screen-shared a document providing a 3 month and YTD financial summary. [While he was doing this, Mr. Reive asked about payment for front of meter solar, and this was briefly discussed.]

YTD kWh sales are down. Revenue is down. Expenses are up. The YTD net income is negative \$142,000. Although HMLP anticipated that its financial situation would be better this month, it was not. The next item on

the agenda is to increase the PCA to address the situation. Ms. Burns questioned what is causing HMLP to be behind. What are the power expenses and what are the non-power expenses? Is HMLP falling behind because they are not selling as much? Mr. Morahan stated that it is a combination of such things. HMLP is not selling as much. Operating expenses include power.

Mr. Morahan screen-shared a document/graph on “Energy Cost” from 2019-2022, based on ENE figures. Energy costs are well above projected YTD costs. Transmission costs are up, but somewhat in line with 2021. Operating expenses are much higher.

Ms. Burns asked whether there were any questions. Given none, she turned to the next agenda item.

### **PCA Increase**

Ms. Griffin led the discussion on this topic. Looking at the budget -- at where they expected to be and where they are -- HMLP is down by \$.008 per kWh for kWh to be sold by end of year. This was calculated based on what was sold from August through December last year. HMLP needs to increase the PCA by at least \$.01. Further evaluation will be necessary at the end of the quarter.

Ms. Burns noted that HMLP’s right to perform the PCA is statutory. Ms. Griffin also noted that it is discretionary -- and that HMLP needs to make sure it has enough income by the end of the year to cover the Pilot. DPU allows them to adjust this. They do not like to take such action more than quarterly, but they can if they want to. Ms. Burns asked more about the revenue needs of the Pilot. Ms. Griffin explained that the Pilot is based on kWh sales and not revenue. HMLP needs to increase the PCA at least for next quarter and see where they go from there. Unfortunately, it takes a long time to get the power cost numbers in. Ms. Griffin would rather caution on getting more than less.

Ms. Burns asked for comments or questions. Mr. Reive stated that it makes sense to put this behind them. If they have too much, they can adjust down. It will be interesting to see what happens with heat waves. HMLP’s exposure of 20% has the potential to go up. It is a challenge to keep the rates low, particularly given the high cost of power in our region.

**Motion: Ms. Burns requested a motion to raise the PCA by \$.01. Mr. Reive so moved. Ms. Burns seconded the motion. There was no discussion. All voted in favor.**

### **Updates: Battery Storage, Additional Transmission Line and New Substation, EV Chargers, HMLP Solar**

Mr. Morahan provided the Updates.

**Battery Storage:** There was a peak load this month. Mr. Reive asked what the peak was. Mr. Girardi stated it was 51. Mr. Reive noted that this is substantial. Mr. Morahan noted that the battery is working. They are not in the regulation market right now, which would reduce their cost. The June cash flow numbers should be available next month. Once they have those numbers they will better estimate annual savings.

**Transmission Line:** They meet regularly on this. Two open houses are scheduled. There will be another virtual presentation. They plan to file with Siting Board late this year, closer to January.

Ms. Burns noted that the process may take up to 2 years. She asked Mr. Morahan to check back on whether the promised spreadsheet on this is available.

**EV Chargers:** There is a 40 week lead on this. The contractor is trying to find an alternative or build something for them. They have the chargers themselves.

With regard to the other Level 3 EV chargers, a contract has been awarded. The next step is to get licensing/approval to install them at Station Street and at Lynch Fields. We have a year to get these installed.

**Solar Array:** The design company with working with the Planning Department to address changes requested by the Department.

Ms. Burns asked for public comment on the Updates. There were none.

### **Motion to Adjourn**

Ms. Burns started to announce the next meeting. Mr. Morahan noted that Mr. Reive had some suggestions. Mr. Reive explained. He suggested that if the Board is having a meeting to understand the rate study, it might be appropriate to postpone that until the new Board member is appointed if there is nothing driving the discussion. Mr. Morahan noted that the end of September might work and offered to reach out to any new Board member to discuss.

With regard to the rate study, Ms. Burns mentioned that she was hoping to also study the cost/benefit of solar generation. She is having a hard time finding someone for this, and Mr. Morahan will help. They would like to understand if there are any intangible benefits they can consider. Mr. Morahan noted that Utility Financial Solutions will be conducting the rate study.

Ms. Burns concluded the meeting.

**Motion: Ms. Burns requested a motion to adjourn the meeting. Mr. Reive so moved. Ms. Burns seconded the motion. All voted in favor.**

The meeting adjourned at approximately 0959

### **List of Documents Provided to Board Members for the Meeting**

- Draft HMLP Board Meeting Minutes for 6-28-22
- Draft HMLP Board Meeting Minutes for 7-1-22
- Draft Proposal for Rental Rebates – Breanna Bennett

### **Documents Shared During Meeting**

- PowerPoint Presentation entitled “Wellesley Electric Customers Accelerated Reduction of Emissions WECARE Program Summary”
- Financials Spreadsheet and graph