



# HINGHAM MUNICIPAL LIGHTING PLANT

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Laura Burns, Chair  
Michael Reive, Vice-Chair  
Tyler Herrald, Secretary

## REGULAR MEETING HINGHAM MUNICIPAL LIGHT BOARD

November 8, 2022

Zoom Meeting

[https://us02web.zoom.us/rec/share/KbdQvNdFWuDxV7-0mldIbMq8h\\_JkRb2q-EEaSjMkv92byO4TePVIUfFNCch0RvQ4.-AhOv4ybnCJK9wKl?startTime=1667911030000](https://us02web.zoom.us/rec/share/KbdQvNdFWuDxV7-0mldIbMq8h_JkRb2q-EEaSjMkv92byO4TePVIUfFNCch0RvQ4.-AhOv4ybnCJK9wKl?startTime=1667911030000)

### **Meeting Called to Order**

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order by the Board's Chair, Laura Burns, at approximately 0737 on Tuesday, November 8, 2022, via Zoom.

Present:

Board Members: Laura Burns, Chair  
Michael Reive, Vice-Chair  
Tyler Herrald, Secretary

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

Others: Members of the Public

Ms. Burns read the following disclaimer 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 whether anyone wished to record the meeting, other than HMLP. There was no response.

### **Approve Meeting Minutes: a) Board Meeting Minutes 10-6-22**

The Board postponed this item until next meeting.

## **2023 Capital Budget**

Mr. Morahan presented a draft capital budget to the Board covering 2022 through 2026. He screen-shared this draft budget.

Mr. Morahan began with a discussion regarding the status of capital projects for 2022. Most projects that were slated for completion in 2022 are done. Some projects are being pushed-out to 2023 due to problems obtaining equipment. HMLP spent approximately \$1.5 million toward the Transmission Project in 2022. HMLP also replaced two trucks and is looking to purchase an electric vehicle. The EV will be assigned to Brianna Bennett but will be available for other staff to use for transportation to off-site meetings.

Ms. Burns asked whether the Depreciation Fund is being used for capital items. Ms. Griffin noted that large purchases are paid via the Depreciation Fund. She does not use monies from the Depreciation Fund for other capital items unless it is necessary. Ms. Griffin further also noted that, from an accounting perspective, tracking labor costs for a capital project is difficult. Mr. Morahan and Ms. Griffin explained this further. There is a FERC account that must be used for labor charges, making it difficult to track labor associated with a particular capital project. This was discussed further. Mr. Morahan noted that HMLP may be able to resolve this tracking issue by creating a project number for each job.

Mr. Morahan continued. There are some “big-ticket” capital items slated for 2023, such as wire runs. HMLP is already ordering wire for these jobs. The projects highlighted in blue on the spreadsheet are being prioritized. With regard to the other projects for 2023, HMLP needs to further evaluate them given the significant costs involved. For 2023, costs associated with the Transmission Project are estimated at \$1.5 million. HMLP will also be upgrading the ventilation in its building. HMLP further intends to purchase an electric meter van, a new materials handler and a hybrid or electric pick-up truck.

Ms. Burns asked for an explanation of the “SCADA” items in the 2023 budget. Mr. Girardi explained that “SCADA” means Supervisory Control and Data Acquisition and refers to a new fiber connection between Hobart Station and Bare Cove. This connection will improve safety by, for example, allowing HMLP to obtain data remotely from Hobart during storm events. Mr. Morahan added that HMLP will be using a portion of the Town’s new fiber network for this project.

Ms. Burns asked if there were any questions about the 2023 budget. Mr. Herrald asked whether HMLP has any financial statements to show revenue versus anticipated costs annually. Mr. Morahan noted that HMLP has an expense budget. This budget will be available once ENE provides HMLP with the energy cost projection for 2023.

Mr. Morahan continued. The draft capital budget is HMLP’s best estimate of capital costs for upcoming years. It is difficult to predict this out. For example, although construction costs associated with the Transmission Project are included as a 2024 item, this is better reflected as an item for 2025 or 2026. Ms. Burns further explained this. Work on the Transmission Project cannot start until HMLP receives funding for the Project at Town Meeting, which will likely take place in 2025. Ms. Burns added that HMLP has a detailed study on the estimated costs associated with Transmission Project so that they understand what can be allocated to the Project from their budget and what is needed in terms of bonding.

Ms. Burns asked if there were any questions. Mr. Reive asked whether HMLP knows when it might finalize the transmission route(s) for the Transmission Project. Mr. Morahan explained that there is only one transmission route in Hingham. However, there are two potential routes in Weymouth. HMLP needs to discuss this with the Weymouth officials but is having difficulties scheduling that. Both routes in Weymouth work. One of the routes is longer but has less traffic, making construction easier.

Ms. Burns asked whether there were any questions from the public with regard to the draft capital budget. There were none.

### **Next Steps for Opt-In Green Tariff (meeting with Wellesley)**

Brianna Bennett to lead this discussion.

HMLP's customer service staff recently met with Wellesley's light plant staff to discuss more details regarding Wellesley's program. Wellesley uses a sales tax model to charge its customers. They will send HMLP examples of how this is done. Wellesley's Light Board votes on all projects that use WECARE funds. Wellesley also employs a ranking system for proposed green projects. Wellesley does not automatically credit customers who opt-out but will refund them if pressed to do so.

Ms. Bennett noted that there are open questions with regard to a green tariff program, including the following:

- impacts to low-income customers and renters
- impacts of prices and inflation
- need formal vote from Board to move forward with a rate
- exploring alternatives to a rate
- the level of incentive "double-dipping" that HMLP will tolerate
- opt-out forms
- clarifying rebate requirements
- safeguards to employ during implementation where, for example, there are a high number of opt-outs
- impacts of HMLP's rate study
- what the charge/rate will be
- whether to place green tariffs into two funds

Ms. Burns responded to Ms. Bennett's questions. Ms. Burns first assured Ms. Bennett that the Board will be voting to move forward with any opt-out program prior to conducting public outreach. She also noted that, as discussed during last meeting, all customers will be eligible for rebates, even if they opt-out of the program. Ms. Burns then indicated that Ms. Bennett's questions require additional thought -- and asked Ms. Bennett to send her questions to the Board in writing. The Board will discuss the matter at next meeting.

Ms. Burns asked if there were any questions/comments. Mr. Morahan noted that, unlike the situation in Wellesley, the town of Hingham did not vote for a green tariff. However, the town did vote to have a Climate Action Plan. Perhaps it is a good idea to address the green-tariff program in the context of the Town's Climate Action Plan. Ms. Burns noted that there are multiple initiatives associated with the Climate Action Plan, many of which will not be presented at Town Meeting. Nonetheless, the green tariff should be included in the Climate Action Plan if the Climate Action Committee agrees. Mr. Morahan is on the Climate Action Committee. He will raise the matter with the Committee.

Ms. Bennett continued. The Board might wish to consider whether and how to focus the green tariff program. Will the focus be electrification, for example? Also, the Board will need to decide on a name for the program. This was discussed. Mr. Reive noted that there are a lot of creative suggestions regarding the program name. He suggested asking Hingham Net Zero to weigh-in on these potential names prior to adopting one. Ms. Burns stated that she would prefer that the program be called the "Energy Future Fund."

Ms. Burns concluded. The Board will discuss Ms. Bennett's questions at next meeting.

Ms. Burns asked whether anyone in the public wished to comment on the discussion. There was no response.

### **Update on Meeting with Hull Light Board regarding the Transmission Project**

Mr. Morahan explained the HMLP staff met with Phil Lemnios, the general manager of the Hull Light Plant (HLP) and Town Manager, and with Panos Tokadjian, the operational manager of HLP. HLP wanted to discuss the possibility of feeding Hull through Hingham. HLP has been having problems with its current line over the past few years requiring them to use generators to feed the Town during outages, which is expensive. HLP is in litigation with National Grid over this problem. HLP wanted to explore with HMLP whether there is anything that can be done to address this in the scope of the Transmission Project. HLP would like to get 23 KV (or 46) and would build a station in Hull for this voltage. Mr. Morahan advised that, right now, and given where the Transmission Project is, it does not make sense to include Hull in HMLP's plans. HMLP is not putting a transformer in at this time but may do this in the future. If this happens, they may be able to feed Hull. Hull would be responsible for building the infrastructure to feed Hull. The costs of doing this might be prohibitive.

Ms. Burns noted that there was a disconnect between her understanding of what would be discussed at the meeting between the two light plants and what was actually discussed. She explained that she understood from Jake Vaillancourt, a member of Hull Light Board, that the discussions at the meeting would focus on off-shore wind. She explained this further. Hull needs to retire one of its wind turbines and is contemplating what to do about that. There is a possibility that Hull might install larger wind turbines in Hull waters that will produce excess energy. If this type of project were to move forward, it might make sense for Hingham to be a part of it. There is also a possibility for a tidal generator in Hull Gut. A company did a study of this option, suggesting that Hull Gut is a possible location for a tidal generator. Ms. Burns hoped that the two light plants would be discussing all of this at the recent meeting. Ms. Burns would like to move forward with opening channels to promote such discussions.

Mr. Herrald noted that he is supportive of this idea as it supports Hingham resiliency and having a better connection with Hingham's neighbors. Mr. Reive is behind the idea as well. Mr. Reive asked whether ENE runs the HLP's portfolio, as this might present an opening for joint collaboration for joint power procurements. It was noted that ENE does not run HLP's portfolio. Ms. Burns stressed that, nonetheless, there is nothing that prevents Hingham from working with Hull to develop a joint project. She would like to set a standard of future cooperation among municipal light plants.

**MOTION: Ms. Burns stated that she would be entertaining a motion allowing the Hingham Light Board to reach out to the Hull Light Board to discuss, in general, the potential for joint generation projects. Mr. Reive so moved. Mr. Herrald seconded the motion.**

**Ms. Burns asked whether there was any discussion or comment. There was none.**

**Roll Call Vote:**

**Mr. Reive: Aye**

**Mr. Herrald Aye**

**Ms. Burns Aye**

Ms. Burns noted that she will work with Mr. Morahan to initiate a meeting.

**Financials: a) 3-year summary and YTD – September 2022**

[Mr. Morahan screen-share HMLP's 3 year financial summary for September.]

Mr. Morahan led the discussion. September was a strong month. Sales were \$19 million, revenue was \$3.6 million and expenses were \$2.7 million. Compared to last year, revenue and expenses were higher. HMLP's net income for the month was \$889,000, which is higher than prior years. HMLP is now back "in line" with YTD net income. YTD sales were higher due to the warmer weather, and revenue and expenses were higher. YTD net income was \$2.1 million, which is higher than 2021 but not as high as 2020.

Ms. Burns asked whether the Power Cost Adjustment (PCA) served to bring HMLP's financials "in-line." Mr. Morahan responded in the affirmative. Mr. Morahan also noted that HMLP will re-visit its financials at the end

of the month and adjust the PCA as appropriate. The PCA can be adjusted monthly based on energy costs. The NYPA credit is calculated quarterly based on a formula.

[Mr. Morahan screen-shared a document/graph showing Energy Costs, Transmission Costs, Capacity Costs, and Power Supply Expenses – 2019-2022]

Mr. Morahan continued. Energy costs are running higher than in past years. Transmission costs are in line with other years but increased over the month. Power supply expenses have also increased over past months. HMLP will be reviewing all of this at months' end and will evaluate whether to adjust the PCA back, perhaps by 1 cent or .50 cent. Power supply cost encompasses the cost of transmission, energy and capacity.

Mr. Reive raised concerns about adjusting the rate given that spot market prices might be high this winter. Mr. Morahan addressed this. HMLP is hoping to give people a little bit of a break for the month, particularly since the rate study, which is anticipated to be completed in January, may require adjustments. If the Board feels it is justified, however, HMLP can consider leaving the rate where it is for now. Ms. Burns asked for comments from the Board. Mr. Herrald noted that the Board does not have the data to address this question. Mr. Morahan advised that data on the matter will be available at the end of the month. He will provide that data to the Board for comment. Mr. Morahan also noted that the Board does not make PCA decisions.

### **Updates: Transmission Line Project, EV Chargers, Municipal Solar**

Mr. Morahan provided the Updates.

**Transmission Line:** There are meetings on this topic every week. HMLP is hoping to file with the Siting Board in January.

**EV Chargers:** The chargers are installed. There are two units at Station Street, one unit at the Country Club and one unit at Carlson Field. The chargers are not being used. Ms. Bennett will publicize the chargers via social media to help promote usage. Mr. Reive suggested also using signage. Mr. Herrald agreed. Ms. Burns noted that the Select Board would need to approve signage. HMLP can reach out to them about that.

HMLP has reached out to the Town regarding locations for the 2-Level III chargers. The Town will address the matter after the elections. The suggested locations for the chargers are (i) near the Coffee Corner and (ii) at Lynch Field. Once the Town approves a location, there is a 15-20 week lead time before the units are installed.

Mr. Reive asked about the vendor and costs. Mr. Morahan noted that the vendor being used is Flow. Ms. Bennett noted that HMLP is receiving \$150,000 for the project. Any revenue from the chargers will go to HMLP. The pay-back time period is approximately 10 or 11 years. The chargers will be open to the public. HMLP has talked to the Town about putting a charger at Town Hall but has not heard back on this yet. The Town itself would have to apply differently for any dedicated workplace charger.

**Solar Project:** Ms. Lawrence is reviewing the RPF. HMLP is hoping for the project to go to bid over the winter. If this happens, the project can start in the spring or summer of 2023.

Ms. Burns noted that the Inflation Reduction Act allows HMLP now to receive a significant tax credit for this project. With this credit, finances for the project will change by approximately 30%.

**Municipal Solar:** Mr. Morahan had an exchange with Ben Lee. He is interested in being a part of the group.

Ms. Burns added that the group consists of Ms. Burns, Mr. Morahan, Ms. Bennett, Mr Girardi and Mr.Cohen. Ms. Burns is delighted that Ben Lee, a former candidate for a position on the Light Board, is

going to join them. The group is currently drafting a proposal regarding solar for the middle school and high school. Once this proposal is ready, she will circulate it to the Board for recommendations.

Ms. Burns continued. She is concerned about winter energy shortages given the predications by ENE and others of that happening. She would like to evaluate whether and at what point a solar buildout in Hingham might improve the town's winter energy reliability. In other words, how much solar acreage, with batteries, might be needed in Hingham to make a difference when it comes to feeding the town. Mr. Girardi responded. A grid-tied system would be required. One megawatt requires one acre. If the winter peak is 40 megawatts, 40 acres would be needed. Further, two acres are required per battery. All of this would need to be evaluated. Ms. Burns clarified her question. Is setting a goal for grid-tied solar installations in town feasible? Mr. Girardi noted that existing solar canopies push 60 amps into the feeder during the spring and summer but produce little in the winter. Batteries might be a better option to look at. Ms. Burns then pondered whether it makes better sense to evaluate the amount of battery capacity necessary to address winter shortages. This was discussed. Mr. Morahan noted that HMLP has a process in place for conducting rolling blackouts during shortages. Mr. Girardi suggested looking at potential real estate for batteries and noted that batteries will need to be re-charged. Ms. Burns noted that she will discuss all of this with Mr. Morahan off-line.

Mr. Herrald voiced his support regarding this type of discussion. He suggested that it might make economic sense for a battery to have a dual connection with the outside grid, allowing the battery to operate with the greater grid and operate every day. HMLP might also explore other options to meet demand, such as LNG peaking, renewable built-out and fossil fuel. Ms. Burns noted that HMLP currently has a battery that works in the manner described by Mr. Herrald. Mr. Herrald then asked whether HMLP has an hourly load forecast by month that can be used for planning purposes. Mr. Morahan noted that this history is available. This was discussed. Mr. Herrald suggested that ENE prepare a forecast. Ms. Burns indicated that they would need to get information to form a strategy for addressing all of this.

### **Motion to Adjourn**

Ms. Burns concluded the meeting. The meeting adjourned at approximately 0900 am.

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

- Board Meeting Agenda for 11-6-22 – Tom Morahan
- HMLP Capital Budget – Tom Morahan
- September 2022 kwh – Tom Morahan
- kwh Cost from 2019 to present – (with graphics and tables showing Energy Costs, Transmission Costs, Capacity Cost, Total Expenses, Power Supply Expense Operating Expense, and Revenues) – Tom Morahan
- Draft HMLP Board Meeting Minutes for 10-6-22 – Tom Morahan

### **Documents Shared During Meeting**

- HMLP Capital Budget – Tom Morahan
- September 2022 kwh – Tom Morahan
- kwh Cost from 2019 to present – (graphics and tables showing Energy Costs, Transmission Costs, Capacity Cost and Power Supply Expense) – Tom Morahan