



HINGHAM MUNICIPAL LIGHTING PLANT

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Board Members

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

REGULAR MEETING HINGHAM MUNICIPAL LIGHT BOARD

December 21, 2022

Zoom Meeting

https://us02web.zoom.us/rec/share/XcRKTiZgVoh6r0lIVQ51fN0IgrU14RLTTsSmDESNLkIkny0z_EXWY4MsR5Q3Lx1T.9PTDktSoY6EY8zFQ?startTime=1671652452000

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 3:00pm on Wednesday, December 21, 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
Brianna Bennett, Sustainability Coordinator

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 107 of the Act of 2022 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 other than HMLP wished to record the meeting. No one responded affirmatively.

First Topic of Discussion – A List of Questions to discuss and resolve on the Green Tariff Policy

Title of Document: “Opt-Out Rate – Questions & Considerations for the Light Board” (3 Sections)

Customer Impacts

Implementation Process and Next Steps

Program Structure and Spending

Customer Impact:

1. How are bills going to change and potentially negatively impact low-income customers and/or renters?

Ms. Burns said she wants to explore a low-income rate, as she knows other municipalities offer one but is unsure how it works. She asked the Board if they’d like to explore offering a low-income rate. Mr. Herrald said he would be happy to look into it. Mr. Reive said the State of MA offers financial help to low-income families and wants to explore what financial help is available. Mr. Morahan explained that most municipalities rely on the state to determine whether the customer is eligible for low-income financial help. Ms. Burns said she would add this low-income rate discussion to the next meeting’s agenda when the rate study is discussed.

Mr. Reive suggested the Board look into detail at the low-income customers who may be heating primarily with heat pumps. They would have an increased electrical load over what may be an average customer’s baseline. If those heating with heat pumps had a lower rate, this might induce people to go the heat pump route. Ms. Burns found his comment interesting and suggested that the rate could be lowered by a customer who solely heats with heat pumps. She suggested that rates could be addressed in three different ways – a low-income rate, a different rate for all electric heating, and reconsidering HMLP’s existing electric heating rate.

2. Should renters or certain high-turnover properties be excluded from this rate?

Ms. Bennett said Customer Service is concerned that it could potentially be taxing and difficult to keep track of opt-in and opt-out customers because of the high rate of turnover at these properties.

Mr. Morahan said that Joan Griffin (HMLP Business Manager) is looking into setting up the opt-in/opt-out rate similar to how the tax rate is set up. For example, when someone signs up for service, the customer automatically opts into the rate until they opt-out. Mr. Reive suggested that the opt-in information be placed on the application so that all applicants are aware of the rate. At that time, they will be given the opportunity to also opt-out.

Mr. Fahey said that many renters could not take advantage of the rebates, i.e., solar canopies and EV chargers. Through his conversation with the Customer Service Representatives (CSRs), they believe it will be more time-consuming and more difficult for the CSRs to keep track of these opt-in and opt-out customers as there is such a high rental turnover. So, should they be included in the opt-out rate? Ms. Burns believes rental customers should pay into the rate as these funds not only support the rebates but they also fund and support the light plant in developing local distributed energy resources.

Mr. Morahan said that he proposes that everyone who starts service is opted into the program. They can then opt-out if they choose to. Ms. Bennett said that customer service suggested that an “opt-out” check box should be on the application. Mr. Reive believes that a check box is too easy to check (to opt-out). Ms. Burns believes that we should warn the customer about the rate and, rather than have a check box on the application, set something up on the website where the customer would go to complete the opt-out request.

Mr. Reive wants customers to call or notify HMLP if they want to opt-out. He wants to not make it as “easy” as checking a box to have a customer opt-out if HMLP wants to “sell” the program. Ms. Bennett said that CSRs believe the opt-out request needs to be in writing, and there should be a check box on the application saying they are aware that they can opt-out if they wish to. Ms. Burns suggested that a customer could opt-out several ways; online or print out a pdf, complete it, and mail it to Hingham Light.

3. How will HMLP ensure that the program development process and the opt-out process is open, accessible, and advertised to everyone?

Ms. Burns suggested this question should be moved and discussed in the implementation section.

4. Will the Board review the timing of the program and the current status of the economy, other electric rates, etc.? The Board and Mr. Morahan discussed waiting until we implement the Opt-in/out program until Q2 or Q4 and after we see the report from the rate structure. Mr. Herrald said the lowest bills are during Q2 and Q4, so he believes this would be the optimal time to start a program like this. Ms. Burns suggested that we wait to see the report for the rate structure, get all questions answered regarding the opt-in/out program by Q2, and then implement the program by Q4.

5. What alternatives have been considered to implementing a rate that could reduce its impact on customers (e.g., grant writing)? Mr. Morahan said we're always looking for grants for projects that will reduce costs. Mr. Herrald asked if there is anything available as part of the Inflation Reduction Act (IRA) that could help reduce rates. He said we could set yearly rates based on grant money we may receive, possibly from the IRA. Ms. Burns said grant money could be used to supplement the green projects. For example, the Municipal Solar group met with Ben Lee, a volunteer, who has offered to look for grants that might be available to put solar on municipal buildings. We would use this opt-in/out fund to *supplement* any grants we may receive for green projects. She said, "Build more, faster."

6. What are the requirements that will be included or not included in the program? For example, the Board has discussed not making rebates contingent on program participation. Ms. Burns suggested that anyone who qualifies for a low-income rate should be given the opportunity to opt-in or opt-out. Again, Ms. Burns said that those who opt-out should still be able to take advantage of the rebates. Mr. Herrald suggested a "self-service" on the HMLP website for opting-in or opting-out. Mr. Herrald provided an example of where a large multi-family rental unit where everyone opts out, but the building owner wants to upgrade the building and take advantage of the rebate program. How do we handle this? Mr. Reive said, however, allowing this would lower the collective carbon footprint for the Town of Hingham. Mr. Morahan provided another example – Energy New England (ENE) has been talking to a condominium complex association that wants to install EV chargers in their basement, and they want rebates to do this. Mr. Morahan said, in his opinion, why would HMLP give them more than we'd give to an individual customer? They want to upgrade the building infrastructure to install car chargers. We'd be willing to upgrade the transformer if the load gets high, but HMLP cannot upgrade the infrastructure of the building or anything behind the meter. Mr. Morahan said he doesn't think HMLP should offer any financial assistance beyond the meter.

Ms. Burns said that for the rebate program that exists, anything over five units, how we help, becomes a conversation with the light plant as opposed to an automatic arrangement based on our rebate structure.

Program Structure and Spending:

(Ms. Bennett displayed a chart titled - "Chart Opt-out Program Cost Analysis")

1. What percentage will the opt-out fund charge on the bills (e.g., 4%) (Chart Opt-out Program Cost Analysis)

Ms. Burns asked what pieces of the bill is it 4% of.

Mr. Morahan explained that Hingham residential customers use approximately 7 million kWh per month. He said the easiest way to base the 4% on would be 4% of the total bill. Ms. Bennett said Wellesley's 4% opt-in rate is applied to the Customer Charge, the Base Rate, the Purchase Power Adjustment, and the demand charge.

Mr. Morahan said Wellesley's commercial customers participate in the program, but some of their larger customers, like Wellesley College and others who are buying RECs (Renewable Energy Certificates) to cover their usage and doing other things, so they were not included in the program.

Ms. Burns said there was an earlier discussion about taking non-profits out of the program, like BCBS and the South Shore Hospital, but she is not sure that we need to take them out of the program. Mr. Reive asked why we would need to take them out of the mix.

Ms. Burns suggested that HMLP could review these types of customers on a case-by-case basis on whether or not they should participate in the opt-out rate.

Mr. Reive says to use the total amount of kWh used to calculate the percentage charged – make the bill as easiest as possible. Mr. Morahan suggested the easiest way to make this billing work is to charge 4% on the total bill. Mr. Herrald liked the idea of including transmission, distribution, and capacity charges because those are required to serve power at any location, not just the energy.

Mr. Morahan says this chart shows the average monthly usage for a residential customer is 856 kWh, which seems high. Brianna said this number was calculated by taking the total monthly consumptions divided by the number of customers. The actual bill amounts were used to generate total revenue. She then times that number by 19 cents which would be the “all in” rate –so if rates go up, that number would change. So, these numbers are based on a 19-cent per kWh rate. Ms. Burns suggested if we apply this rate to all our commercial customers, the revenue would be quite a bit higher. She asked that if we start with a 4% charge for residential customers, the revenue for the opt-in/opt-out program would be roughly ½ million dollars, and if we included commercial and municipal customers, the revenue then may be closer to a million dollars.

Ms. Burns asked the board if the 4% used in the Wellesley model is a good number. Is it too high or too low? Mr. Herrald agrees with the 4%, but wants to see what the new rates (from the rate study) are before making a decision. Mr. Reive said that if 4 % has worked well for Wellesley, then it may be a good baseline data set for HMLP to use. Mr. Herrald said that if the new rates come in drastically higher, he would like to see this opt-out percentage lower. Ms. Burns said, at this point, let’s tentatively choose 4% and then reevaluate with the context of the rate study. Mr. Morahan said the rate study should be completed sometime during the end of January (2023).

Brianna said that Wellesley told their customers their average customer would see an average increase of up to approximately \$5.00 on their bill. If Hingham wanted to see a \$5.00 increase, that would be a 3% rate, but if Hingham went with the 4% rate, our customers’ bills would be about \$6.50 higher per month.

Ms. Burns concluded by saying the board is considering the value of staying under an average impact of \$5.00 as well as using 4% and will consider using both when we get to the end of the rate study.

2. Should customers be able to choose a percentage? Mr. Morahan said that if we let customers choose a percentage, the billing will become more complicated. Mr. Herrald suggested a way around this would be to consider adding a link to our website if customers wanted to make a donation to the fund.

3. Should the funds be allocated in a certain way (e.g., if 4% is the amount, should 2% go directly into the rate stabilization fund and 2% into the opt-out fund? Then, a direct benefit is translated to all ratepayers, while indirect benefits with other green programs are also presented)? Ms. Burns does not want this money to go to any other funds as she fears it will muddy the waters in telling people where this money is going or what it’s for. Mr. Morahan thinks the 4% should be used for projects the board deems appropriate. Mr. Reive said because this is a new fund, this money should be kept separately from other line items.

Ms. Burns asked to pause on the above question as time for this meeting was running out. She suggested they briefly discuss another item: the changes to the Municipal Electrical Association of Massachusetts (MEAM) by-laws. She asked the board members if they were able to review the proposed changes to the MEAM by-laws. Ms. Burns stated that MEAM wants to make changes to their by-laws to encourage participation by the Commissioners. She said that particularly concerning is when MEAM takes positions on legislation that looks to us (board members) like policy which is really the job of the light boards, which are policy boards, and some light boards are uncomfortable with having their managers speak for them without checking with the light boards. Ms.

Burns asked the Board Members if they had any feedback on the changes and if they could then vote on these changes. Mr. Reive is supportive of the changes. Mr. Herrald also supported the changes.

Motion: Mr. Burns made a motion to endorse the letter to the MEAM executive committee and the changes as recommended. She asked, all in favor.

Mr. Herrald: “Aye”

Mr. Reive: “Aye”

Ms. Burns: “Aye”

The Hingham Light Board will be added to the letter which will be submitted by Jen Kallay, the Light Commissioner from Wakefield. Her General Manager is the President of MEAM.

Back to the Agenda questions:

4. How should the funds be allocated? Ms. Burns suggested that a lengthy discussion at a later date needs to be scheduled regarding how these funds will be used. Two programs have already been identified: supporting the rebate program and also supporting the development of distributed energy resources in town.

5. Is the money from the opt-rate rate going to be distributed away from the programs that double dip with state and federal incentives? Mr. Reive thinks that all financial incentives should be used together whether the money comes from the State or Federal incentives as well as the opt-in rate. Ms. Burns doesn't see it as “double dipping” especially when it comes to weatherization and heat pumps. The price of those improvements is so large that we as the light plant can't provide enough help.

6. Will double dipping be reviewed and reduced? Ms. Burns said, “we just answered that question”.

7. Which customers should and should not be on the rate? (e.g. residential, commercial, municipal, primary customers, rentals).

In Wellesley's opt-out model, residential and commercial are included, and primary and municipal are not included. Ms. Bennett suggested that we notify these customers, Town hall, Schools, etc. that they will be hit with this rate.

Ms. Burns said there is a meeting schedule with Hingham Public Schools (HPS) to discuss the municipal solar program and she could raise the proposal of the opt-out rate at this meeting. She said they could also discuss the opt-out program with the town administrator as well as the superintendent of the schools. Ms. Burns said the electric bills at the water company (Weir River) would be paid out of water rates and that would definitely change (including the country club and sewer) how they pay their electric bills out of their earnings. These are called enterprise funds, so individual municipal customers would be affected by this. Ms. Burns said that the municipals could opt-out, if they wish to do so.

Mr. Morahan will contact the Hingham Town Administrator about the enterprise funds and who else gets their own electric bill, to see what the impact and other implications might be to be on this opt-out rate. Ms. Burns stated that the decision has been made to include renters on the rate and then asked if primary customers should be on this rate? Mr. Morahan listed a few of the primary customers including, Russell Electric, Lindon Ponds, BCBS, maybe Whole Foods. He said that Hingham does not have many Primary customers and suggested possibly choose a different rate for these customers, perhaps 2%. Mr. Morahan thinks Wellesley includes primary customers on a case by case basis, based on what other green initiatives they participate in. Ms. Burns said we can initially put them on the rate and they can opt-out.

Mr. Morahan said that Wellesley advertised this opt-out program and knew who was going to be on the rate *before* they got the program up and running.

8. Should the opt-out customers be credited on their bills and, if so, is there a cutoff date to when they receive their credits? (eg.6 months, 1 year?)

Ms. Burns thinks we should give the customer a 3-month credit if they wanted to opt-out. For example, if a customer claims they did not know about the program and did not want to participate, but was charged the rate, HMLP would credit back the customer for three months opt-out charges. Wellesley Light had customers 6 months out (or more) who wanted a credit because they claim they didn't know about the program. Wellesley ended up crediting the customer for 6 months. Ms. Burns suggested we make a policy on this. We can take this into account on an individual case by case basis.

Time for the meeting has run out.

Ms. Burns said to move the Implementation questions to the next meeting. She then thanked everyone for their time.

Ms. Burns concluded the meeting.

Motion: Mr. Reive called to adjourn the meeting. Mr. Herrald seconded the motion. Ms. Burns asked, all those in favor?

Mr. Reive: "Aye"

Mr. Herrald: "Aye"

Ms. Burns: "Aye"

The meeting adjourned at approximately 4:20pm.

Documents/ Shared During Meeting

- Titled: Hingham Opt-Out Rate – Questions & Considerations for the Light Board
- Titled: Chart Opt-out Program Cost Analysis