



# HINGHAM MUNICIPAL LIGHTING PLANT

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## General Manager

**Thomas Morahan**  
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## Board Members

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

## REGULAR MEETING HINGHAM MUNICIPAL LIGHT BOARD

January 10, 2023

Zoom Meeting

<https://us02web.zoom.us/rec/share/63o198CGmd3zZFhbUQKLPW6W3Rmt8cb7N8xjAyGmrqwWAo3yLK0kPuwaXE5mJwN-.cQ5d35e9gU6gQ3z0?startTime=1673354002000>

## 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 7:30 am on Tuesday, January 10, 2023, 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  
                          Stephen Girardi, Engineer  
                          Ellen McElroy, Customer Service  
                          Brianna Bennett, Sustainability Coordinator

Guests:              Brenda Black  
                          Mark LeBel

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.

Mrs. Burns asked if there is any objection to approving the minutes for the December 21, 2022 meeting. The approval of minutes was not listed as a task on the agenda.

- Michael Reive – Aye
- Laura Burns – Aye
- Tyler Herral - Aye

First Topic of Discussion – Continue to discuss the List of Questions on the Green Tariff Policy (see attachment)

### **Customer Impacts**

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

Ms. Burns believes that logically this should be the last step in the implementation process.

### **Implementation Process and Next Steps**

**When does the Board want to take a vote to formally move forward with the opt-out program?**

Ms. Burns would like to shoot for Q2, if not Q4 to vote. These quarters are when the rates are least impactful on the customers.

**Does the Board have key thresholds that would be considered if program implementation needed to be delayed?**

- For example, a certain percentage of opt-outs (e.g. >50%) overall?
- For example, a certain percentage of opt-outs (e.g. >30%) within a one-month period?
- For example, a certain percentage increase in electric rates within the same year?

Ms. Burns asked Ms. Bennett to clarify what is meant by “increase in electric rates within the same year”. Ms. Bennett responded that if the rate study comes back and the rates increase in a dramatic way that we are not anticipating, does the Board want a contingency to delay the program in relation to a shift in the rates. Mr. Herald responded that he would like to wait to see when the rate study comes back. Mr. Reive stated that we should not put the “cart before the horse” - until we see the results of the rate study, we should look to see what our peer Munis are doing and compare that to what the rest of the utilities are doing to compare and gain perspective.

Ms. Burns asked if the Board should delay the program if a certain percentage of opt-outs are received in a 1-month period? Mr. Herral stated that a large percentage of opt-outs would be indicative that we have not communicated the program appropriately, but he is not one hundred percent sure that we should delay the program. Mr. Reive stated that there is a question of socialization that we need to answer. Ms. Burns stated that we need to get it right, but once it is in place, it would not be wise to change our minds because it would feel like “whiplash” for the rate payers and the staff.

Mr. Morahan responded that if we are going ahead with the program, then we need to go forward with it. If we only get half the people, it is telling that people are concerned about rates and the cost of electricity. Our plan is to advertise it well and we will know, even before we start the program, how many customers are going to opt-out. Ms. Griffin stated that she will be opting-in all customers and that it is a manual process to remove customers. If 5,000 accounts opt-out, that is a large amount of work. Ms. Griffin asked if we only get a certain percentage, perhaps it should become an “opt-in”, rather than an “opt-out”. Ms. Bennett cautioned that if we start to get a dramatic number of calls, inundating the Customer Service Department, do we want to reform or change the program? For instance, if we get a certain number of opt-outs, is the program going to be effective? - Will we

have the funding needed to do the projects? At 50% we would still have funding, but what if we get to 20%, we need to think about it. Ms. Burns believes if we choose to do it as an “opt-in” this would be a *real whiplash* for customers. She thinks it would be too confusing. Ms. Burns asked if a preemptive poll could be conducted so that we would know if the program is not being received as well as we hoped. Mr. Morahan stated that we could do what Wellesley did and have a list of “opt-outs” long before the program is scheduled to start so we know how it is being received. Ms. Burns believes there will be more “opt-outs” after the implementation because people will view their bills and pick up on what is going on. If we have a large number of “opt-outs”, the Board should, at least, delay the program. This would not be whiplash because we would be using the pre-implementation information. Mr. Reive would like to look at the success of Wellesley’s program and mirror that. He realizes that things have changed and people are noticing that the PCA is a larger percentage of the bill and I think people are looking for rate increases (like National Grid & Eversource) due to the price of natural gas. People are paying more attention to their HMLP bill because things are more expensive. Ms. Burns questioned Mr. Reive as to whether he is concerned about the number of ‘opt-outs’. Mr. Reive responded that it all depends on how much this change ends up being. If it is small, they will accept it. If it is tens of dollars, people will think twice.

Ms. McElroy explained that customers love their discount and the decrease in discount, coupled with the increase in rates and PCA charge is a “tough sell” and asked that perhaps this program should be done when the economy is better. Ms. Griffin clarified that the discount is not 10% of the whole bill but rather 10% of a portion. She stated that the discount is very important for cash flow purposes. Ms. Burns asked Ms. McElroy what her thoughts would be if there is a large reaction to the opt-out - should it be an opt-in? Ms. McElroy stated that she is unique in that she lives in Hingham, works at Hingham Light, and hears the customer calls. Ms. McElroy referenced an earlier meeting when low-income rates were discussed. She explained that people think that Hingham has a low-income group and then a very wealthy group; however, the truth is that most of the people are right in-between and they are struggling with the bills. She wants to ensure that if rates are going up that we are very honest with our customers. We must not just slide the rate change in without explaining that the 4% is *in addition to* the rate increase for the electricity. In addition, Ms. McElroy stated that collections are at a good level, but many customers are “on the cusp”. Ms. Burns stated that they can opt-out so the 4% is not included. Ms. McElroy warned again that it is not just the low income, but the middle class as well. For instance, we had a person in a \$2.4 million home that we had to shut off twice. Ms. Burns stated that the median home price is \$800,000 so we could run into this issue and that Ms. McElroy’s point is taken strongly.

Mr. Morahan brought up the idea of a customer survey to see what our customers are looking for from the Light Plant. Ms. Burns believes that if we are already getting a lot of calls about the rate increase and people are in a difficult place, then the survey would be a pertinent step. Ms. Burns added that the survey would also be an opportunity to put the idea of a “time of use” rate. Mr. Fahey added that the survey could also target the transmission line. He added that Belmont found the survey to be very “eye opening” as it targets a specific percentage of customers. Mr. Reive asked if the survey is electronic, an email, a mailer, or is it on the HMLP website? Mr. Morahan explained that we would hire a company to do the survey. Belmont used Great Blue to conduct their survey. There are a number of companies out there that do these surveys and we can research them and find the one that best fits our needs. Typically, these companies make phone calls to the customers as well. Mr. Morahan stated that we would have to advertise to the customers that a phone survey is being conducted. He reiterated that they will target groups within the community for representation of the overall community. Ms. Burns questioned whether there is consensus on the customer survey. Mr. Reive stated that it was a good idea and also a good way to get information out about the transmission line, “time and use” metering, billing and incentives. He also stated that this would let the people see all the projects that will need to be paid for. Ms. Burns believes the phone survey would be more scientific and that generating questions and information for the survey will be very valuable going forward as well. Mr. Morahan said he will get a copy of the Belmont customer satisfaction survey and then could talk to the survey company and have them present to the Board. Ms. Burns suggests that the process could be sped up if the staff could get the survey and draft something that the Board can look at for the next meeting. Ms. Burns said we need to make the decision to continue if we receive a certain percentage of opt-outs. Most likely we will have to re-evaluate after we obtain more information.

**Should the opt-out fund be in the Climate Action Plan so that Town Meeting can vote on?**

Ms. Burns stated that Town Meeting will not vote on the whole Climate Action Plan. There will be pieces of the plan that will need to go to Town Meeting, but this is not a piece that will go. Wellesley did a petition to the Town Meeting, and it is a way to get information out there and receive feedback. Hingham Town Meeting can only advise the Light Plant what to do, but they cannot tell the Light Plant what to do. In fact, it is too late to get a petition complete as it must be in by January 20, 2023.

**Would such a proposal be presented to the CAPC at a joint meeting with the Board?**

Ms. Burns could imagine it would be great if the CAPC committee would put it on their agenda and then some HMLP staff or Board members could be part of it. Both Mr. Herrald and Mr. Reive are in favor of this. Ms. Burns stated that if all Board members wished to attend a CAPC meeting together, then it would have to be called a formal Board Meeting.

**What language would be best in the opt-out fund spending policy that is going to be released to the public for comment?**

Ms. Burns stated that this language still needs to be drafted and it would be ideal if a staff member could work on a draft.

Revisiting the question, **how will HMLP ensure that the program development process and opt-out process is open, accessible, and advertised to everyone?**

Ms. Burns stated that the publicity plan has to be developed and Brianna Bennett would be working on it. She offered the help of the Board with any questions. Mr. Morahan also offered his assistance to Brianna.

**Ms. Burns asked if there was anything that anyone on the staff feels is not clear enough, or can we move forward. No questions were raised.**

**Ms. Burns asked if there were any comments from the public. No comments were made.**

Mr. Morahan apologized for not adding the line on the agenda to approve the December 13, 2022 minutes. Ms. Burns asked everyone to review those minutes before the next meeting so they can be approved.

**Rate Study Update**

Mr. Morahan stated that he met with Utility Financial Services and they are wrapping up the rate study and we should have a report by the end of this month (January 2023). This report will not be the rate design. The rate design will not be done until Utility Financial Services has met with this Board. The current plan is to have them come and present their findings to the next Board meeting in February 2023. Utility Financial Services will look to get feedback from the Board on what they expect to see in the design - low income, "time of use", etc. Once they have that information, they will complete the rate design in March 2023.

Ms. Burns stated that this rate study update sounds good. She stated that she read *Electric Cost Allocation for a New Era* by the Regulating Assistance Project and feels that she is much more informed about the rate study process. Ms. Burns asked if anyone would like a copy and several people on the call responded affirmatively. She will get several copies.

Mr. Morahan stated that in his last conversation with Utility Financial Services that the preliminary information suggests (on average) a 6% increase, each year, for the next 3 years.

Ms. Burns responded that she went back and listened to the last meeting with Utility Financial Services and recalled that the first thing they do is set the revenue requirements. They determine how much Hingham Light will need to keep things functioning. Once we have that piece, we need to understand that whatever rate we choose has to raise the same amount of money, regardless of the design. Ms. Burns sees this as an opportunity for HMLP to create other ways that people who are struggling with the rates can make changes that will lower their rates. "Time and use" rates offer people the opportunity to move electric activity to a cheaper time and this is something positive that we can offer to our customers. Mr. Reive asked for confirmation that Utility Financial Services will be at the next Board Meeting and that the final report will be delivered in March. He also questioned when the new rates would be implemented. Mr. Morahan said that the rates would be implemented in the April/May 2023 time period. Mr. Herrald asked if the 6% (preliminary number) includes the cost of the new transmission line project. Mr. Morahan responded that Utility Financial Services has the transmission line information so it should be included but cautioned that the transmission line would not even come into fruition until year 3, so we would have to see how that would affect future years. Ms. Burns questioned whether Utility Financial Services is using the most recent numbers provided from Eversource and Mr. Morahan answered in the affirmative. Ms. Burns then questioned if the numbers from Eversource are the final ones and Mr. Morahan stated that they are still an estimate. Mr. Morahan went on to explain that there are some things in the estimate that we may not need at that station (for example, secondary supplies) but he feels it is best to go with the numbers provided.

**Ms. Burns asked if there are any comments from the Board or staff regarding the rate study. There were no comments.**

**Ms. Burns asked if there were any comments from the public regarding the rate study. No comments were made.**

## **Financials**

Mr. Morahan provided a 3-year Summary and Year to Date 2022 of the financials.

Mr. Morahan stated that net income of \$273,249 in November 2022 is higher than we normally see during that month. He stated that the projection of \$2.9 million in revenue, at the end of the year, puts HMLP in good shape for 2022. Year-end numbers will not be available until February 2023 and those will be preliminary as the auditors do not finalize them until April 2023.

Mr. Morahan stated that the PCA Adjustment was very helpful to the financials. Ms. Griffin added that the interest rate environment is helping by giving HMLP about \$100,000 per month but she cautioned that once the rates come back down, we will lose that revenue.

**Ms. Burns asked if there are any comments from the public or staff regarding the financials. There were no comments.**

## **Updates**

### **Transmission line project**

Mr. Morahan stated that we are meeting with the Town of Weymouth to get feedback on the 2 preferred choices and alternate routes. LIG Engineering is in the process of updating the project cost for HMLP. Mr. Morahan stated that HMLP meets weekly on the transmission line project and will look to file the Electronic Facilities Siting Board at the end of February 2023/early March 2023.

### **EV Chargers**

Mr. Morahan had a meeting with the Town regarding the level 3 chargers. He reported that the charger on Station Street does not appear to have any issue with the installation but HMLP needs to go to the Planning Board for the station at Lynch Field on January 23, 2023. Once we get approval from the Planning Board, we will purchase the equipment and start the process of the RFP and have them installed by Summer 2023. All other charging stations are up and running and we are seeing a little more activity each month.

Ms. Burns acknowledged that Mark LeBel had joined the call and she asked him for several more copies of his book, *Electric Cost Allocation for a New Era*.

### **Solar Project**

Mr. Morahan stated that he discussed the outline of the solar RFP with our legal counsel, Deirdre Lawrence, to get her feedback. Chris Kourafas, HMLP Purchasing Manager, will now work on the RFP and it should go out within the next month and the project should be done in the summer of 2023.

### **Municipal Solar Project**

Ms. Burns stated that there was a meeting of the Municipal Solar Group consisting of Tom Morahan, Steve Girardi, Brianna Bennett, Will Cowen, Ben Lee and herself. This meeting is scheduled every two weeks. She said that the group has had conversations with the Town regarding municipal solar installations. She has proposed a model where either the Town buys and builds (would require approval at Town Meeting) solar on their own facilities or the Light Plant could lend it to the town. Since the last meeting, Ms. Burns received an email from Art Robert, Assistant Town Administrator, stating that the Town does not want to own anything and they want a PPA concept. Ms. Burns is trying to get clarification on that statement.

Ms. Burns has a sense that at the next Town Meeting we will be looking at an operating override. There will be two past exclusion overrides in the Fall and property taxes will be going up so the Town does not want to present another expenditure. Ms. Burns wants to make the case that it makes sense for the Town to go to Town Meeting and ask (because they need permission to borrow from HMLP) for the money from Hingham Light. These are expenditures that you can say what the payback time is and the Town can actually make money on these expenditures after a certain period of time. Ms. Burns said that none of the other things that the Town is spending money on can alleviate taxes in the future.

Ms. Burns stated that she received a call from Christine Smith, Chair of the South Shore Country Club, regarding solar installations on the new building. Ms. Smith stated that they are ready to go with solar. Ms. Burns stated that we need to figure out how to pay for it.

Mr. Morahan had a conversation with the legal counsel for HMLP about what we can and cannot do with solar installations. The legal counsel explained that we cannot fund studies for things that we would not own, if we do studies for the Town, then we would have to be able to offer it for every rate payer, regardless of who owns the installation. Mr. Morahan added that HMLP would be able to provide assistance to the Town if it is through the *PILOT program* from the Green Fund. HMLP would have to have an agreement with the Town (with a stated amount decided by the Board) to increase the amount of the pilot for the projects they have in mind; however, the problem is that the Town will then have the money. HMLP legal counsel cautioned that if you do this with the pilot program, the Town does not have to do whatever you are asking them to do and you cannot put conditions

on the pilot. The legal counsel also stated that this would have to be an “agreement” with the Town, not a legal memorandum.

Ms. Burns thought this was an interesting idea. She wants to ensure that the Middle School, Public Safety, South Shore Country Club, and Foster School are part of the design (even though the Public Safety and Foster are not built yet). Ms. Burns stated that the Middle School would need an engineering study.

**Ms. Burns asked if there are any thoughts or comments regarding the Municipal Solar. There were no comments.**

**Ms. Burns asked if there was anything else to discuss in this meeting. There were no comments.**

**Ms. Burns asked if there were any comments from the public regarding Municipal Solar.** Ms. Brenda Black, Advisory Committee liaison, asked what the current thinking for the articles for Town Meeting about permission to put solar on municipal buildings. Ms. Burns stated that she has sent out the latest draft of the article (she also shared it on her screen) and it has been approved by this Board. She added a list of the buildings that will be reviewed. Ms. Burns added that she heard from the Town Counsel that we do not need this article to put solar arrays on buildings, we only need it for land/open space. This information came from Ginny LeClair, Town of Hingham Sustainability Coordinator. Ms. Burns is still unclear on the requirements because a similar article passed in Concord, Massachusetts. Again, HMLP would be paying for those projects and that is the Towns preferred model going forward. If the Board approves this article, with the updated list of buildings, Ms. Burns would love to be able to run it by Town Council before submitting it on January 20, 2023. She suspects that this will not be possible, given the tight time frame, but we can submit it “as is” and the Town can always help with the language.

**Ms. Burns asked if there are any thoughts or comments regarding the Municipal Solar. There were no comments.**

**Ms. Burns asked if there are any comments from the Board regarding the Municipal Solar.** Mr. Reive questioned the use of the building by the tennis courts at the High School for solar. Ms. Burns explained that buildings are identified by address and parcel number which means that every building on a parcel is included. Thus, the building by the tennis courts would be on the parcel number for the High School and therefore covered. Ms. Black suggested that the Board refer to the current Foster School as “the elementary school at 55 Downer Avenue” because it will not be named Foster School after it is rebuilt.

**Ms. Burns asked if there are any thoughts or comments regarding the Municipal Solar. There were no comments.**

Ms. Burns suggested a vote to submit the article to the Select Board for inclusion in the warrant. She asked if someone would entertain the motion.

**Motion: Mr. Reive made a motion to submit the article to the Select Board for inclusion in the warrant. Mr. Herrald seconded the motion. Ms. Burns asked, all in favor?**

**Mr. Herrald: “Aye”**

**Mr. Reive: “Aye”**

**Ms. Burns: “Aye”**

Ms. Burns will send the article to the Select Board after she has changed the name of Foster School to “the elementary school at 55 Downer Avenue”.

Mr. Morahan asked that before we adjourn, the next Board meeting will be February 14, 2023. The plan is to have Utility Financial Services in that meeting to present their findings. Given that that will take up the majority of the meeting, he asked if the Board would like to push the Customer Satisfaction Survey discussion to the March meeting? Ms. Burns responded that the Board would prefer to have extra meetings rather than delay. Mr. Herrald and Mr. Reive are in agreement that an extra meeting would be fine to discuss the survey. Ms. Burns asked Mr. Morahan if the Board could get a copy of the rate study before the meeting on February 14, 2023 so that they could review it. Mr. Morahan responded that if he receives any information prior to the meeting, he will pass it on to the Board.

The meeting adjourned at approximately 8:38 am.

### **Documents/ Shared During Meeting**

Titled: Hingham Opt-Out Rate – Questions & Considerations for the Light Board

Titled: 3-year Summary and Year to Date 2022