



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 13, 2022

Zoom Meeting

https://us02web.zoom.us/rec/share/ryYWuevEqqKout58xTuCDcEdflI3syB58y2vovg5cnlHPas30kohwVwRu7snH7qL.JyvvgGMUXYZiOBQ_?startTime=1670933098000

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 0730 on Tuesday, December 13, 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: Brenda Black, Advisory Committee
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 107 of the Acts 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 Town of Hingham 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. There was no response.

Approve Meeting Minutes: a) Board Meeting Minutes 10-6-22; b) Board Meeting Minutes 11-8-22

Ms. Burns asked for comments with regard to the draft minutes for the meetings on October 6, 2022 and November 11, 2022. Mr. Reive noted some changes.

Motion: Mr. Reive moved to accept both sets of minutes as corrected. Mr. Herrald seconded the motion.

Roll Call Vote:

Mr. Reive: Aye

Mr. Herrald: Aye

Ms. Burns: Aye

Board Input on Opt-In Green Tariff Policy

Ms. Burns suggested that the Board discuss the green tariff policy as its last agenda item given the anticipated scope of the discussion. The Board was amenable to doing this.

2023 Budget

[Mr. Morahan screen shared HMLP's draft Operating Budget for 2023.]

Mr. Morahan presented the 2023 budget. Revenues in this budget are based on 2022. Some of the expenses -- transmission, capacity and energy -- are based on ENE estimates. Other expenses in the budget reflect a 3% increase. This is based on what has occurred over the last 4 years. The estimated return is 4.3%. The budget will be updated as financials for November and December become available.

Mr. Reive asked Mr. Morahan to discuss new budget items. Mr. Morahan noted that the heat pump rebate is new. HMLP anticipated spending \$50,000 in 2022 on heat pump rebates but is exceeding this amount. The rate study may also impact the budget. Ms. Burns then asked about the return calculation and whether it includes depreciation. Mr. Morahan noted that depreciation is a monthly expense that is considered when calculating return. In 2023, HMLP plans to use a 5% depreciation rate -- and will notify DPU about that. Mr. Morahan does not anticipate that DPU will push back on the depreciation rate. Mr. Reive asked additional questions about the budget in light of the current economic climate. This was discussed.

Ms. Burns asked whether there were additional questions. There was none. Ms. Burns asked whether there were any questions from the public. There were none.

2023 Rebate Program Budget

Ms. Burns asked Mr. Morahan about the heat pump budget. Mr. Morahan explained that the heat pump budget for 2022 was \$50,000. However, heat pump rebates are exceeding that and are now at \$58,000. There has been an up-tick in rebate applications. In November alone heat pump rebates were \$16,000.

Mr. Herrald asked what happens when a budget limit is exceeded. Ms. Burns noted that the limit is more of a guideline. Mr. Morahan noted that HMLP did not have a budget for rebates in the past but decided that it was a good idea to do this. Ms. Burns noted that they should expect rebates to increase. Mr. Morahan agreed, noting that HMLP needs to convert 400 households per year to heat pumps to meet targets, and that they only received 44 requests in 2022. The conversation then turned to how to obtain information to better predict and track conversions, such as reaching out to Mass Save and others for helpful information in that regard. Ms. Burns asked whether it would create any financial difficulties if they fulfilled the remaining heat pump rebate applications for 2022. Mr. Morahan noted that this will not be problematic.

Ms. Burns asked about the other rebate programs and whether costs are more than anticipated. In response, Ms. Bennett provided the following information for 2022: 1) HMLP spent \$6,000 toward appliance rebates (82 applications); 2) HMLP spent \$6,000 toward EV rebates (20 applications); and 3) HMLP spent \$7,000 toward weatherization rebates (20 applications). Ms. Burns noted that these rebates seem manageable.

Ms. Burns asked whether HMLP needs to include a budget line item for heat pumps. This was discussed. Mr. Morahan added that weatherization rebates have not been determined and Ms. Bennett added that solar rebates are significant. Mr. Girardi noted that solar rebates cost approximately \$90,000 in 2022 (18 rebates @ \$5,500 per customer). Ms. Burns noted that this is expensive, adding that perhaps money from the green tariff program can go toward that. The discussions then turned to potential impacts of the rate study and the green tariff program. Mr. Morahan noted that any funds associated with a green tariff will be separate from and not impact HMLP's operating budget. Ms. Burns turned the discussion back to whether to have a budget item for rebates. Mr. Herrald voiced support for a budget cap. This was discussed. The Board agreed to continue its discussions on the matter after it reaches a decision on the green tariff.

Ms. Burns asked whether there were any public comments. There were none.

Update on Email to Hull Light Plant Board regarding Future Renewable Projects

Mr. Morahan reached out to Phil Lemnios, the general manager of the Hull Light Plant (HLP), and to Pat Cannon, the chair of the HLP Board, to initiate discussions on future renewable projects. He has not yet heard back from them. Ms. Burns asked for the Board's thoughts about all of this. Both Mr. Reive and Mr. Herrald voiced support for continuing outreach efforts.

Ms. Burns will reach out to Mr. Cannon. Mr. Morahan will reach out to Mr. Lemnios.

Warrant Article to Allow HMLP to Install Solar on Public Buildings

Ms. Burns led this discussion.

Ms. Burns is concerned that, if HMLP is to own solar on town buildings, HMLP will need to bring the matter to Town Meeting. She spoke with Town Counsel about this. Town Counsel advised that they did not need this unless a vacant lot is involved. However, Ms. Burns continues to be concerned. So, she reached out to a friend on Concord's Light Board to ask about their warrant article. Ms. Burns is bringing the idea to the Board. She has a list of town buildings. However, the list is not prioritized because they do not know about the roofs. She will insert a list of town buildings in the article.

Ms. Burns asked what the Board wanted to do about all of this. Mr. Herrald voiced support for the idea and asked whether the historical society needs to be consulted. Ms. Burns advised that the historical society becomes involved once a permit is requested. Mr. Reive asked whether it makes sense to "pre-screen" buildings. Ms. Burns noted that the committee has not considered the order in which to do things. She will suggest that they develop some evaluation criteria. Mr. Reive noted that historical buildings typically are not suitable for solar. There was some further discussion.

Ms. Burns then asked for comments on the language of the draft article. [Ms. Bennett then screen-share a draft warrant article]. Ms. Burns read the draft:

Will the town authorized but not require the Select Board and/or the School Committee to enter into long-term leases, licenses, agreements for payment in lieu of taxes and/or other contractual agreement with the Hingham Municipal Light Plant, subject to terms and conditions approved by the Select Board and/or School Committee, for all or portion of the following municipal and school properties: [list of properties]

for the purpose of installing and operating solar energy generating facilities and/or energy storage facilities, including rooftop, ground-mounted and other solar facilities, and further to authorize the School Committee and the town to take such action as may be necessary under State law to effectuate said agreements.

Ms. Burns noted that any proposed article on the matter needs to be submitted by January 20, 2023.

Ms. Burns asked whether the Board wished to consider the matter once the committee finalized the warrant article. Mr. Reive noted that he would like to do that. Ms. Burns noted she will discuss the matter with town counsel. The final draft will be brought to the Board for approval.

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

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

Mr. Morahan led the discussion. Kw hours sold were less than prior years but revenues were higher. HMLP's net income was \$579,000. YTD net income was \$2.7 million, which is higher than 2021 but less than 2020. HMLP is "in good shape" for 2022 mainly as a result of the PCA. The PCA will remain in place for the remainder of 2022.

Mr. Herrald asked about the PCA. The PCA was \$.01. The rate increased from \$.16 to \$.17. The NYPA credit also decreased.

Ms. Burns asked if there were any comments or questions from the public with regard to this topic or the prior Agenda Item (i.e., municipal solar article). She noted that a member of the advisory committee, Brenda Black, was in attendance. Ms. Black did not have any comments/questions.

Updates: Transmission Line Project, EV Chargers, Municipal Solar

Mr. Morahan provided the following Updates:

Transmission Line: HMLP has been in contact with Weymouth about this. They have a meeting with the Mayor scheduled for the second week in January. HMLP is hoping to file with the Siting Board in February. There are 2 potential routes for the project. HMLP is hoping to get input from Weymouth on their preference.

EV Chargers:

- HMLP has filed an application with the Town with regard to the placement of the level III chargers. This is in progress. HMLP is targeting to install the chargers sometime next summer.
- There are now blue signs indicating the location of the chargers.
- The usage of the chargers at the Station has improved.
- Mr. Reive asked questions regarding Flo, the vendor for the project. He asked whether Flo is working with ChargePoint to show charger locations in Hingham and availability, for people who are searching online for charger locations. Mr. Reive also asked questions regarding whether Flo can monitor misuse chargers at the various parking spaces, for example when people stay too long at a charging space. This was discussed. Mr. Morahan noted that the local police do not issue parking tickets to users on private roadways.

Solar Project: Ms. Lawrence requested some changes that needed to be incorporated in the RPF. HMLP anticipates going to bid on the project in January. Construction is anticipated to start in the spring.

The structural integrity of the warehouse roof for solar panels was evaluated. The roof is sufficient. The cost of the project is approximately \$1 million. The project will be funded out of the green fund.

They will publicize HMLP's green efforts -- the solar project and EVs.

Ms. Burns asked for public comment with regard to these Updates. There were no comments. Ms. Burns then led the discussion on the following Updates:

Municipal Solar. The group now consists of Ms. Burns, Mr. Morahan, Ms. Bennett, Mr. Girardi, Will Cohen and Mr. Lee. There is a meeting scheduled for Friday, December 9, 2022, to discuss solar at the middle school, high school and the South Shore County Club. The South Shore County Club has expressed an interest in installing and owning solar at its property. Senator Markey's office is working on legislation for low interest loans for green projects.

Ms. Burns spoke with Art Roberts, Assistant Town Administrator, about what the group is looking at. Mr. Roberts is enthusiastic about all of this and will be attending the meeting on the 9th. After this meeting, the Committee will be sending a memo to the school department and the Town, outlining a template about what might be required for the solar on town buildings. Ms. Burns further noted that she spoke with Mr. Roberts about the ownership models for solar. She advised that it would be advantageous for the Town to own the solar given the availability of a 30% tax credit. They also spoke about the ability of HMLP to loan money. Ms. Burns noted that it makes sense for HMLP to invest in solar projects owned by the town.

Ms. Burns noted that she is feeling enthusiastic about all of this and is looking forward to the meeting on the 9th. Ms. Burns also noted that the Town is conducting a "facilities review" that should be completed by the end of February. The report should provide them with information about the integrity of town roofs for solar panels.

Mr. Reive pointed out that the Plymouth River School should already be "solar ready." He suggested that Mr. Girardi might work on evaluating more about that. Mr. Girardi noted that the school uses all electric heat and has a demand in the 400s. Mr. Reive noted that new windows were recently installed at the school, but that an energy audit might be appropriate given his understanding that the school uses stage heating systems when loads are too high.

Ms. Burns concluded by noting that she would contact the School Committee chair about all of this.

Ms. Burns asked whether there were any public comments. There were none.

Board Input on Opt-In Green Tariff Policy

The Board agreed to consider this Agenda Item at a special meeting in order to provide sufficient time for discussions. Mr. Morahan will post notification of the special meeting once it is scheduled.

Motion to Adjourn

Ms. Burns concluded the meeting and asked for a motion to adjourn.

Motion: Mr. Reive moved to adjourn the meeting. Mr. Herrald seconded the motion.

Roll Call Vote:

Mr. Reive: Aye

Mr. Herrald: Aye

Ms. Burns: Aye

The meeting adjourned at approximately 0850 am.

List of Documents Provided to Board Members for the Meeting

- Board Meeting Agenda for 12-13-22 – Tom Morahan
- HMLP Budget Master – Tom Morahan
- October 2022 kWh – Tom Morahan
- Draft HMLP Board Meeting Minutes for 10-6-22 – Tom Morahan
- Draft HMLP Board Meeting Minutes for 11-8-22 – Tom Morahan
- Draft Warrant Article – Solar – Laura Burns

Documents Shared During Meeting

- HMLP Operating Budget 2023 – Tom Morahan
- October 2022 kWh – Tom Morahan
- Draft Warrant Article – Solar – Brianna Bennett