



## HINGHAM MUNICIPAL LIGHTING PLANT

31 Bare Cove Park Drive  
Hingham, MA 02043  
(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  
Tyler Herrald, Secretary

### REGULAR MEETING HINGHAM MUNICIPAL LIGHT BOARD

March 14, 2023

Zoom Meeting

[https://youtu.be/UzUh\\_eKFdfY](https://youtu.be/UzUh_eKFdfY)

### 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 7:36 am on Tuesday, March 14, 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  
Joan Griffin - Business Manager  
Stephen Girardi, Engineer  
Ellen McElroy, Customer Service  
Brianna Bennett, Sustainability Coordinator  
Christine White, CSR

Guests: Dierdre Lawrence - Attorney for Hingham Light  
John Coughlin - Attorney for the Town of Hingham  
Tom Mayo - Town Administrator for Hingham

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.*

### **Approve Meeting Minutes for February 14, 2023 meeting**

Mrs. Burns stated that she was unable to review the meeting minutes thoroughly. She would like additional time to work through the notes and make adjustments. Approval of these meeting minutes will be added to the next agenda.

### **Utility Financial Services**

Mr. Morahan stated that Utility Financial Services (UFS) is ready to present the rate study. UFS is available next week or the week of March 28th, 2023, whatever works for the Board. Mr. Morahan reminded the Board that there is a meeting with Hull Light on March 30<sup>th</sup>. Mrs. Burns suggested the meeting be scheduled for Tuesday, March 21, 2023.

### **Statewide Light Commissioners Group**

Mrs. Burns requested an item be added to the next agenda regarding the Statewide Light Commissioners Group. A group of Commissioners meet regularly to educate and share ideas among these Commissioners. Ms. Burns has participated in these meetings. This group has decided to extend an invitation to all Light Commissioners and form a Light Board Commissioners Association and have asked HMLP to participate. The Wellesley Light Board has already signed on to the invitation. Mr. Morahan will add this item to the next meeting agenda.

### **Discussion on Municipal Solar Financing**

Mrs. Burns welcomed Deirdre Lawrence, Tom Mayo, and John Coughlin for the discussion on municipal solar financing. Mrs. Burns has put together a list of questions for these guests so that the Board can understand the legal aspects of financing municipal solar arrays. She questioned whether the Town should own the arrays and what is involved in the financing:

- Bonding
- Borrowing money outside of the Town
- Borrowing money from the Hingham Light Plant

Mrs. Burns also questioned if it makes more sense for the Hingham Light Plant to own the arrays on Town roofs, what is involved in getting permission to use the Town's roof, and what the legal complications would be.

*Question #1: If we were to establish a process for the Town to borrow funds from the Light plant for development of solar arrays on this property, what steps do we have to take to make this doable and does it require town meeting approval?*

John Coughlin stated that he did check with Mr. Manley from Locklords regarding the process for borrowing outside of the normal Municipal bond market and there is a few of ways to do this,

- Borrow from HMLP and sign a promissory note to repay funds back. That would be the normal chapter 44, section 7 or 8, following through a Town meeting.
- Lease to own under chapter 44 21c which will also require a  $\frac{2}{3}$  vote at Town Meeting.

*Question #2: What would the appropriate interest rate be if the Town borrows the money from the Light Plant?*

Mrs. Burns stated that our solar municipal group was assuming the interest rate would be whatever the Town's current cost of capital was at the time that the loan was made. Mr. Coughlin stated that the determination of the interest rate goes back to authority to loan money and this is a separate issue from whether or not the Town enters into a borrowing arrangement. Ms. Lawrence stated that the only thing that exists out there on this issue is an advisory opinion from the Department of Public Utilities in the case of Littleton Electric Light and Water Division. In that case, the Department did not see a prohibition in chapter 164 against loaning money but it had to be from unappropriated and surplus which means it could not loan money "on and above the line" basis. For the purposes of this advisory opinion, the interest rate *was not* the town's cost of capital because the department said that one of the considerations when they look at what the Light Department does with these sorts of surplus funds is the benefit to the ratepayers. The ratepayers should be in a better position since that money could be funneled back to the ratepayers in terms of general rate relief. The Advisory opinions said they thought it was reasonable that the Light Department charge 0.25 % over the rate the Town was currently being paid by its bank on the deposits. A discussion ensued regarding rate payer benefits and policy. Mr. Coughlin said it seems that as long as HMLP was getting the quarter percent interest that seems to be the key. Tom Mayo questioned the procurement and Mr. Coughlin stated that the purchase of the solar panels would be a normal RFP or bid process. Ms. Burns indicated that she does not supports the idea of changing HMLP's pilot payment to accommodate funds so that the Town can install solar arrays. Ms. Burns confirmed with Mr. Coughlin that if the Town plans to borrow from the Light Plant that it would still have to go to Town Meeting. Borrowing requires a two-thirds vote at Town meeting.

A discussion ensued between Ms. Burns and Ms. Lawrence regarding Board Policy and General Manager Responsibilities.

*Question #3: Are there advantages to the town in borrowing from the Light Plant rather than from the bond market?*

Ms. Burns stated that there is a small subgroup of staff, herself, and two volunteers from the town who are scouting out opportunities for municipal solar but she would like to know whether the bond market is a better option for financing. Mr. Coughlin stated that the benefit for the Town would be to get a lower interest rate, but the cost of issuance would have to be factored in. Mr. Mayo reiterated that there might be a higher borrowing cost doing an extremely small borrowing on the open market as opposed to with the Light Plant.

*Question #4: Are there any legal obstacles to the town borrowing from the light plant that we are unaware of?*

This question was covered during pervious discussions during this meeting.

*Question #5: What is the impact of the Light Plant owning solar arrays "in front of the meter" on municipal buildings?*

Ms. Burns stated that there are certain sites in town that would be very amenable to having in front of the meter systems. The discussion moved to putting solar arrays on land and the advantages to that. It appears that easier to put solar on a roof, under 40 section 3 in the general laws the Select Board can lease a portion of a building without a town meeting vote up to 30 years for a town building and up to 25 years for a school. A lease can be done for buildings but not for the land without a town meeting vote

Ms. Lawrence had two thoughts on this matter. First, you could do a license agreement and avoid the whole lease issue. Second, since land is at a premium in Hingham, there is a DEP policy that encourages the construction of solar on land that would otherwise be considered not buildable, such as wetlands. There is a policy in place about working on water department land which typically is not buildable

Ms. Burns stated that the Select Board has asked HMLP to withdraw the article for this year because it wasn't seen as being necessary. Mr. Mayo confirmed this statement,

Ms. Burns asked if the Town wanted to lease a roof for a solar array, does the Light Plant have to bid against all comers? Mr. Coughlin does not believe that the Light Plant would have to bid against all comers because 30b has exemptions for agreements between governmental bodies.

Ms. Lawrence stated that the Town could enter into some kind intra governmental agreement and avoid the issues that you might otherwise have and it's offered my clients a lot of flexibility dealing with both private developers and then the municipalities.

*Question #6: What is the nature of the agreement for the solar array on the landfill?*

Ms. Burns asked what the nature of the agreement is that we have with the developer who is developing a solar array for the landfill, is that a license or a lease? Ms. Lawrence stated that the agreement is a license but nothing has been signed. Mr. Coughlin added that it did go to Town Meeting for a vote because there was a transfer of custody and control of the property over to HMLP who was then going to license it out to a private developer. Since HMLP has custody and control, and the original developer has stated that the project is delayed until next year, Mr. Morahan is working with Ms. Lawrence to draft a letter stating to the developer to say the project is null and void. That will allow HMLP to handle the project internally to develop the solar array at the landfill.

*Question #7: Can HMLP give grants to the Town to pay for engineering studies?*

Ms. Burns asked if the Town was to own the solar array, can HMLP give them a grant to pay for the engineering studies that required for either the town or the light plant to do? She stated that HMLP would be looking to buy to add the kind of generation that we want to our portfolio which is why it serves the rate payers. Ms. Lawrence was not comfortable with giving a grant to pay for the studies. Ms. Lawrence said that you cannot legally give any kind of gift to the Town, and call it a grant. You cannot give ratepayers funds for something that has nothing to do with providing them directly with a service. Ms. Lawrence wants to ensure that HMLP avoids claims of discrimination. Ms. Burns stated that HMLP gave a \$6000 rebate to ratepayers who want to put solar arrays on their roofs. In response to the \$6000, Ms. Lawrence state that she was never been asked for her opinion on the legality of the solar rebate but stated it is problematic.

### **Warrant Article Discussion**

Ms. Burns asked the Board if there is a motion to withdraw the article that was proposed for 2023 Town Meeting.

**Motion:** Mr. Reive moved to withdraw the article, seconded by Mr. Herrald.

### **Roll Call Vote:**

Mr. Reive: Aye

Mr. Herrald: Aye

Ms. Burns: Aye

### **Climate Action Plan Presentation**

All drafts and comments have been sent back to the Climate Action Planning Committee (CAPC) regarding the Climate Action Plan (CAP). The CAPC has been presenting the CAP to all committees delegated with responsibilities in the CAP. Ms. Bennett reviewed the CAP PowerPoint presentation with Board. Ms. Burns has two concerns with the Plan (1) it recommends that we buy Renewable Energy Credits (RECs) to cover the carbon portion of our portfolio and that was just a general expectation of the Consultants and (2) Community solar is referenced several times through the document and it is not defined. Once all of the comments have been incorporated into the final plan, a presentation will be made to the Light Board.

### **Financials: 3-year summary and YTD - January 2023 (see attachment)**

Mr. Morahan reported that January kWh were down and revenue was \$3.2 million. Expenses were \$2.6 million, net income was almost \$600,000 for the month. HMLP was positive for the month and on budget.

There was a question from Christine White, Customer Service Representative with Hingham Light. Christine asked if the loan to the Town for solar could potentially impact capital projects such as the transmission line. Ms. Burns replied that the current idea is that these loans would be funded out of “the Green Fund” which right now comes from the sale of renewable energy credits and is separate from the rest of the finances. The Board’s policy is to use these funds for green projects. The first project was the consultant for the Town’s Climate Action Plan. The funds will also be used for a solar project at the Light Plant. These funds are separate from the funds that we are planning to devote to the transmission project.

Another question from Ellen McElroy, Customer Service Supervisor at Hingham Light. She asked if the Board had looked into grants to pay for some of the municipal solar projects. Ms. Burns stated that the municipal solar committee, which consists of several staff members, volunteers, and herself have been tasked with looking into grants, but the team has not come up with much. Ellen commented that Christine White had found some examples from other towns using grants and will pass that information on to Mr. Morahan, who could then forward it on to the solar committee.

### **Updates: Transmission Line Project**

Mr. Morahan reported that he received an updated cost estimate from our engineering consultant. The project price has increased by about \$12 M (primarily materials and labor) since last year. The cost for the transmission line itself is \$72 M and the cost of the Eversource piece is about \$35 M, project costs have increased by \$12 M. The total cost of the project is now \$107 M for this project. Utility Financial Services has a copy this information and they believe it will not impact the rates for the next three years which were presented at the last Board Meeting.

### **Updates: EV Chargers:**

Mr. Morahan reported that HMLP will be purchasing three level-3 (DCFC) chargers. RFP documents are being developed and HMLP will be going out to bid for the installation of the chargers. HMLP hopes to have these level-3 chargers installed sometime this summer.

Mr. Reive questioned how to serve some of the housing complexes better by subsidizing their installation of chargers in the basement of a building. Mr. Morahan stated that HMLP would be willing to work with them on upgrading transformers/infrastructure but HMLP cannot pay to have construction done inside a building; this is no different than doing work in a private residence. HMLP can instruct them on how to apply for rebates for the chargers. Mr. Reive then inquired if one of these housing condominium complexes wanted to have a series of chargers, similar to what HMLP has installed at some of the ball fields, for example, what could HMLP do for them? Mr. Morahan stated that HMLP could work with them on the infrastructure and on the funding from the state for the chargers but has not looked at a rebate for these complexes. The other consideration is public accessibility. HMLP would be happy to have a conversation with any customer, but at this point HMLP has not had any requests for this level of charging.

Ms. Bennett stated that HMLP received a state grant for workplace chargers which covers 60% of the project cost up to \$50,000. HMLP was awarded funds for six level-2 chargers. Two of the chargers will go in the solar canopy, and the remaining four will go in the rear of the building and inside the building for future EVs.

### **Updates: HMLP Solar**

Mr. Morahan reported that the bid opening for the solar canopy project is March 15, 2023 and, depending on the availability of materials, HMLP hopes to start the project by Spring 2023 and complete the project by the end of 2023.

Mr. Morahan indicated that HMLP is negotiating with an Engineering firm for a design of the solar array on the landfill. HMLP has ordered some equipment for the landfill project. HMLP hopes to be able to end the PPA with the existing solar developer and complete the project internally. Ms. Burns believes it will be a great trial run to ensure that HMLP can get the equivalent of the investment tax credits that it is now eligible for with solar.

Mr. Morahan is looking at possibly adding batteries to one of the sites in South Hingham for the purpose of peak shaving. Mr. Morahan stated that he would look at a shared savings type of agreement where the developer would operate the battery and we would get a share of the savings.

**Updates: Municipal Solar**

There was a short discussion on the possibility of grants. The meeting today shed light on the possibility of grants.

Ms. Burns asked if there were any comments from the public about what was discussed today. There were no comments.

**Motion:** Ms. Burns entertained a motion to adjourn.

**Roll Call Vote:**

Mr. Reive: Aye

Mr. Herrald: Aye

Ms. Burns: Aye

Meeting adjourned at 9:12 am