

HINGHAM MUNICIPAL LIGHTING PLANT

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Laura M. Burns, Chairman Michael Reive, Vice-Chair Tyler Herrald, Secretary

REGULAR MEETING HINGHAM MUNICIPAL LIGHT BOARD July 11, 2023

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 7:30 am on Tuesday, July 11, 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 Joan Griffin, Business Manager Ellen McElroy, Customer Service

Brianna Bennett, Sustainability Coordinator

GreatBlue Research: Christopher Biggs, Strategy Director

Other: Members of the Public

Sara Gordon

Call meeting to Order

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're 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 if anyone other than HMLP wished to record the meeting. No one responded affirmatively.

Approval of Meeting Minutes

- a. Meeting Minutes 5/16/23
- b. Meeting Minutes 6/6/23
- c. Meeting Minutes 6/13/23

Ms. Burns indicated that she was unable to review two of the three HMLP Board meeting minutes scheduled for approval today. As a result, the approval of these meeting minutes will need to be deferred until she has had the opportunity to review them.

<u>Customer Survey Result – GreatBlue Research</u>

GreatBlue Research was commissioned by HMLP to conduct research to evaluate HMLP's effectiveness in serving its' customers, identify areas of improvement and then isolate areas where HMLP can better serve their customers. In order to service these research goals, GreatBlue conducted digital surveys among a sampling of HMLP residential customers. The outcome of this research is to help HMLP more clearly understand customer expectations, look for near-term areas of improvement and help to create a strategic roadmap to increase customer satisfaction going forward.

Christopher Biggs, Strategy Director at GreatBlue Research, reported there were 775 customers who participated in the survey. He said this was a very large, strong response to the digital survey; the more responses, the more confidence there is in the data and the feedback. The survey comprised of 52 questions and necessitated around 15 minutes to complete. Mr. Biggs said the margin of error, an impressive 3.5 percent, was coupled with a 95% confidence level. The survey was conducted from May 1 to May 30, 2023.

Respondent's Snapshot:

Fifty percent (50%) of participants had a household income of over a \$100,000. Sixteen percent (16%) had a household income between \$50,000 and \$90,999. Sixty-eight percent (68%) of participants were 55 years and older and 27% of those surveyed were between 35 and 54 years old. A large percent of those who participated in the survey owned their homes (88%).

Heating methodology, Length of Residency and Type of Dwelling:

Eighty-three percent (83%) of HMLP customers heat with natural gas or oil. Twenty-two (22%) have resided in their home between a year and 10 years; and, 19% have resided in their homes from ten to twenty years. Fifty-seven percent (57%) surveyed, have been in their homes for more than 20 years. Seventy-four percent (74%) live in a single-family dwelling.

Reliable Service Drives Company Ratings

GreatBlue examined six different organizational characteristics; Reliable Service, Honestly/Integrity, Customer Interactions and Communication, Community Service/Supporting Activities/Events, Helping Customers use Energy Efficiently, and Rates. When rating HMLP on a series of these organizational characteristics, respondents provided an average positive rating of 90.9 %. Of note, respondents provided the highest ratings for HMLP having "reliable service" (99.1%) and its "honesty and integrity" (96.8%), but provided the lowest ratings for HMLP's "Rates" (81.0%) and "Helping customers use energy efficiently" (82.2%).

Among the 70 respondents (less than 10% of respondents) who provided a poor rating for HMLP for any characteristic mentioned, nearly one-half (45.7%) cited "High Bills/Too Expensive" as the top reason for providing poor ratings for HMLP. Six (6) customers provided a poor rating because they thought HMLP "Lacked Energy Efficiency Information/Programs".

Reliable Service Seen as Top Benefit of a Municipal Utility

Nearly nine-out-of-ten respondents (87.7%) indicated "Reliable Service" as a top benefit of a municipal utility like HMLP, and roughly (74%) indicated a benefit of a municipal utility is their "responsiveness to customer concerns". Over three-fifths of respondents (63.9%) also indicated "Stable Electricity Rates" as a top benefit of municipal utility. "Environmentally Responsible and Using Renewable Energy resources" were ranked as low priorities in comparison to the other choices.

Majority Satisfied with Customer Service

Of the respondents who have recently had an interaction with HMLP, over nine out of ten (95.1%) indicated they were either "very satisfied" (88.5%) or "somewhat satisfied" (6.6%) with customer service and the way the HMLP employee handled the call or visit. Those who had a recent interaction with HMLP primarily indicated the call was due to an "outage" (24.9%), while others reported they called for a "question on a bill (not complaint)" (14.2%).

Majority Satisfied with Field Service Representative

Of the 126 respondent who have recently had an interaction with HMLP Field Service, the vast majority of respondents, (98.5%), indicated they were either "very satisfied" (92.9%) or "somewhat satisfied" (5.6%) with the way the HMLP employee handled the call or visit. Those who had a field representative visit their home primarily indicated this was for a "repair" (15.9%), a "service problem" (15.1%) or an "outage".

Most Agree Level of Service Matched Electric Rates

Over three-quarters of respondents, 78.1%, indicated they "strongly agree" (53.8%) or "somewhat agree" (24.3%) that the level of service they receive at HMLP matches the electric rates they pay. The customers say there is a fair relationship between what they are paying and the level of service they are receiving. Approximately (17%) "don't know/unsure".

Value of Communications. E-mail and Website Most Valuable

When rating the value of several HMLP communication methods, more respondents rated HMLP's "email" (83.0%) and the "HMLP website" (71.6%) as either "very valuable" or "somewhat valuable" than other communication platforms. Of note, less than three-out-of-ten respondents (27.7%) rated HMLP's "social media (Facebook/Twitter/Instagram)" as "very valuable" or "somewhat valuable". Mr. Biggs said that although HMLP's "social media" received the lowest ranking and people are saying they are not seeing the value; however, Mr. Bigg noted that 40% said "don't know". This may indicate our customers are just not yet aware of HMLP's social media platforms. 92.6% of those surveyed said they were satisfied with the ease of finding information on our website.

Majority Call HMLP for Outage Information

Roughly one-third of respondents reported looking for outage restoration information by "calling HMLP" (33.4%) or accessing the "Outage Map on HMLP's website" (31.4%). Of the respondents who reported using the "outage map on HMLP's website", three-fifths, 60.1%, reported being "very satisfied" (35.4%) or "somewhat satisfied" (24.7%) with their experience.

Low Awareness of Hingham Electrical Infrastructure Reliability Project (HEIRP)

Nearly one-fifth of respondents (19.4%) reported being "very aware" or "moderately aware" of the HEIRP Transmission and Substation project, while over one-half of respondents (55.6%) reported they were "not at all aware" of this project. After reading a description of the HEIRP Transmission and Substation project, 58.6% reported being "very likely" or "somewhat likely" to support this project, nearly 23% were "not very likely or not likely at all" to support the project, while 19.2% indicated they "don't know/unsure". Of note, the likelihood to support the HEIRP Transmission and Substation project was higher among respondents 65 years and older (62.3%) and those 45 to 64 years of age (58.5%) than those 18 to 44 years of age (53.0%). The survey did not mention the likelihood of rate increases to fund the HEIRP project. Ms. Burns believes these percentages will change once customers become aware of the project costs and rate increases.

System Reliability Ranked as Most Important

Respondents were asked to rate six (6) different rate objectives or design features in order of importance: System Reliability, Least Cost of Service, Utility Financial Stability, Increasing HMLP's share of Renewable/Green Energy, Promotion of Efficient Energy Use, Equitable Cost Recovery from all Customers. When asked to rate objectives or design features in order of importance, three-fifths or (60.1%) of respondents ranked "system reliability" as first, most important objective, and one-fifth (20.2%) ranked it second in importance. Meanwhile two-fifths of respondents (40%) ranked "utility financial stability" either first (12.5%) or second (27.5%) in importance, and (39.9%) ranked "least cost of service" first (16.1%) or second (23.8%). Only 6.9% of respondents listed increasing HMLP's share of renewable/green energy as the most important objective, and 9.6% listed it as second. 3.4% of respondents listed promotion of efficient energy use as the most important objective and 9.5% listed it as second. 3.3% listed equitable cost recovery from all customers as first, and 11.4% listed it as second. Mr.

Biggs reaffirmed the top three priorities of HMLP respondents are; System Reliability, the Least Cost of Service, and the Financial Stability of the Utility.

Willing to Pay More for Enhanced Rebate Program

Nearly 40% of respondents said they are not willing to pay an additional tariff for "Renewable energy credits to offset individual carbon consumption" or, "a green tariff, an opt-out program that would include expanding local renewable energy investments and enhance rebate programs". 34.8% respondents said they were not willing to pay additional amount of tariff to "enhance rebate programs and efficiency incentives". A little over one-third percent (34.7%) reported they would be willing to pay "1% to less than 3% more" (21.8%) or "3% to less than 5% more" (12.9%) for "enhanced rebate programs and efficiency incentives". Further, (31.4%) indicated they would be willing to pay for a "green tariff" of "1% to less than 3% more" (20.8% of respondents) or willing to pay "3% to less than 5% (10.6% of respondents).

Interest in Time of Use Program

Roughly one-quarter of respondents (26.9%) reported being "very aware" or "moderately aware" of Time of Use (TOU) rate programs, while over one-half (53.3%) indicated they are "not at all aware" of the TOU rate program. Of note, awareness of TOU rate programs was greater among respondents 18 to 44 years of age (31.3%) than among respondents 45 to 64 years of age (26.0%) or 65 or older (26.5%). Nearly three-fifths of respondents (59.8%) reported being interested in enrolling in TOU program after learning about it, with more home owners (61.3%) being interested than renters (50.5%).

Anticipate Future Use of Rebates for Energy Efficiency and Energy Assessments

Nearly one-half of respondents reported previously participating in paperless billing (49.5%) and autopay (47.4%) and will continue to participate in the future. Nearly one-quarter of respondents indicated they have not previously, but have plans to receive "rebates for energy efficiency" (23.0%) or the "no-cost energy assessment" (22.2%).

Of note, nearly 30% of respondents reported being unaware of HMLP's "rebates for weatherization/insulation", "rebates for energy efficiency appliances" (29.8%) and "rebates for heat pumps systems" (29.5%), and solar program (23,6%). Nearly 46% of respondents say they have not previously used solar rebates, and have no plans for the future.

Majority Unaware of Demand Response Program

Only 11.3% of respondents reported being "very aware" or "moderately aware" of Demand Response Programs, and the majority of respondents reported being "not at all aware" (73.2%) of these programs. While one-in-ten customers were aware of demand response programs, that rate nearly doubled among 18-44 years old. However, nearly two-thirds of respondents (64.9%) reported being likely to enroll in a demand response program if HMLP offered one, with more customers 18 to 44 years of age and more homeowners being likely to participate.

Mr. Biggs summarized some takeaways and considerations of the overall survey. He suggested boosting awareness to demonstrate value of the rebate programs. Increase awareness of the Time of Use and Demand Response Programs. And, finally, demonstrate the value of the HEIRP Transmission and Substation project. To wrap up the presentation, Mr. Bigg commended HMLP for achieving impressive Customer Satisfaction ratings.

Draft Policy on Promoting Municipal Solar Energy

The Municipal Solar subcommittee, consisting of Laura Burns, Tom Morahan, Brianna Bennett, Steven Girardi, Will Cowen and Ben Lee, has drafted a plan which proposes that the Town of Hingham take ownership of municipal solar arrays, while the Light Plant funds the engineering studies. The Town is reluctant to allocate funds for the costly engineering studies (ranging from \$50,000 to \$70,000) needed to determine which municipal buildings are the best to pursue. Therefore, Ms. Burns suggests that HMLP finance the engineering studies for the Town by using the "green fund". She said there has been some concern about HMLP paying for these studies, as legal counsel has expressed reservations about using rate-payer funds for engineering studies. Nevertheless, Ms. Burns contends that conducting these studies, "is in the interest of the ratepayers to do these studies as it would increase the renewable energy portfolio".

Ms. Bennett has crafted a calculator/excel spreadsheet to assess the suitability of different Town buildings for these solar array installations.

Ms. Burns put forth a motion to endorse the policy as drafted, with an additional sentence clarifying the Light Board's belief that this is indeed in the interest of the ratepayers.

Roll Call Vote:

Mr. Reive: Aye Mr. Herrald: Aye Ms. Burns: Aye

Ms. Burns recommended that the envisioned solar projects be presented to the Town at the Spring 2024 Town meeting, allowing the Town to secure bonds for these initiatives. She aims to have the engineering studies finalized before this deadline to ensure that the proposal to the Town is presented as a comprehensive package.

Low Income Discount Rate

Utility Financial Services suggested a discount rate of 20%, which was derived from an average observed range used by other utilities of 10% to 30%. However, USF did not employ data to establish the suggested 20% figure; the decision to determine a rate rests with the Board. The discount would apply to the customer charge and the capacity, transmission and distribution charge, aligning with the current discount structure. To qualify for the reduced rate, individuals would need to meet the criteria for a state-run low-income program. Ms. Griffin volunteered to share with the Board qualifying criteria that other municipalities utilize for their low discount programs. Mr. Herrald cautioned that once discounts

are introduced, especially in cases like these, it becomes challenging to rescind them, so he proposed starting with a conservative discount rate to gauge its impact on our finances and participation rates. Mr. Morahan, Ms. Griffin, and Ms. Bennett will collaborate to formulate a low-income proposal for the Board's consideration.

Discuss Schedule for Additional Board Meetings

Ms. Burns will contact Mr. Morahan to address upcoming meeting schedules, as time was limited to discuss the schedules now. Additionally, the May financials will be discussed during the next scheduled Board meeting.

Other New Unforeseen Business

HMLP customer Sarah Gordon, residing at 19 Filling Mill Lane, is an AMR Opt-out Customer, and expressed her concerns regarding the manual meter reading fee increase from \$20 to \$40. Mr. Morahan, during an earlier meeting with Ms. Gordon, provided an explanation of the methodology used to arrive at this figure; however, Ms. Gordon is dissatisfied with the fee and has appealed to Hingham Light to review and reevaluate its calculation. Mr. Girardi, who assessed the costs associated with providing the service estimated and factored in the time spent driving to a resident's location from the Hingham Light Plant, inspecting the meter, recording the reading, returning to the office, and inputting the data into the system, which totaled approximately 45 minutes per customer. Ms. Burns asked Mr. Girardi to take a closer look to what it actually costs to take a manual read.

Mr. Reive noted that customers with non-AMR meters would be excluded from participating in the proposed Demand Response and Time of Use programs, as the manual reads/meters are incompatible with these programs.

Motion to Adjorn

Ms. Burns concluded the meeting and entertained a motion to adjourn.

Roll Call Vote:

Mr. Herrald: Aye Mr. Reive: Aye Ms. Burns: Aye

The meeting adjourned at approximately 8:35am.