



HINGHAM MUNICIPAL LIGHTING PLANT

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General Manager

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Board Members

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

REGULAR MEETING HINGHAM MUNICIPAL LIGHT BOARD

January 16, 2024
Zoom Meeting
<https://us02web.zoom.us/j/88940460250>

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 16, 2024 via Zoom.

Present:

Board Members: Laura Burns, Chair
Michael Reive, Vice-Chair
Tyler Herrald, Secretary

HMLP: Thomas Morahan, General Manager
Mark Fahey, Asst. General Manager
Joan Griffin - Business Manager
Stephen Girardi, Engineer
Ellen McElroy, Customer Service
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.

Warrant Article

Ms. Burns stated that the warrant article that the Board submitted to the Select Board for the town meeting was reviewed by the Town Counsel and he proposed some changes to the form of the article that were purely formal that had no impact on the content. Ms. Wetzel (239 High Street) asked when the warrant article will become available to the public. Ms. Burns stated that the warrant article was voted on back in the early fall.

She stated that the purpose of the article is to allow the Select Board to enter into leases with either the Light Plant or third parties to lease municipal property for the purpose of putting solar arrays or any distributed energy resources on it. Mr. Reive and Mr. Herrald did not have any questions. Mr. Larry Wetzel (239 High Street) wanted clarification that the purpose of this warrant article would give the Light Board very broad discretion in terms of placing solar arrays on public property. He questioned whether the Select Board could write the lease without going to Town Meeting. Ms. Burns stated that the town would go through the same permitting process as anyone else. She also stated that a number of years ago the Town authorized the Light Plant to put a solar array at the transfer station.

Vote to approve the language in the Warrant article as revised by Town Council for submission to the Select Board for the 2024 Town Meeting.

Mr. Reive - 'Aye'

Mr. Herrald - 'Aye'

Mrs. Burns - 'Aye'

Solar Credit Discussion

Mr. Reive proposed a solar credit plan with a goal of simplifying the rate structure and making it fair to the ratepayers in Hingham and also the 110 residential solar ratepayers. Mr. Reive's proposal is to allow solar customers to bank their unused kWhs so that they could be used at a time when their solar is not producing. Solar customers would be required to use their banked solar kWhs within a one-year period. Mr. Reive proposes that one year period would run from April to March. Mr. Reive does not want to encourage people in town to be energy producers but to encourage rate payers to install solar throughout the town. Mr. Herrald loved the creativity of the solution but has a concern with HMLP would be giving people who build a solar array a free virtual battery. Mr. Herrald would like to actually encourage people to have batteries in their home as opposed to giving them one for free. Mr. Reive acknowledged Mr. Herrald's concern and stated that right now batteries are very expensive and the technology is not here yet but will be here in the next few years. Mr. Reive believes that HMLP needs to look at large scale batteries so that we can buffer the excess solar production and lower our peak in the evening. He believes batteries are part of the solution but we also need to put solar systems up in conjunction with those batteries. He believes that if a customer puts the capital equipment on their roof and are "providing that energy to the light plant free of distribution charges, free of transmission charges, and free of capacity charges" that the various incentives and a battery are in the best interest of the town in reaching the 2040 goals. He would like a better net metering system that is fair to ratepayers and solar ratepayers. Mr. Herrald stated that "best thing we can do is to focus on providing the right price signals to everyone, and you know I'm a big fan of our rate redesign project. We are moving towards the end goal of time of use rates and we should chart a course to get to a time of use rate structure sometime in the future when the economics, the viability, and the price signals will all be in place to make solar something that people can look at and say this makes economic sense." Mr. Reive is in favor of moving forward with the latest time of use AMI metering system where you have data-real time data and you can make real-time business decisions based on pricing as well as demand response. Mr. Herrald explained he would like HMLP to have that new meter technology but it's a tough decision whether or not to invest in that new technology. Mr. Reive asked Mr. Herrald what price signal he would foresee to motivate both existing and future solar customers. Mr. Herrald stated that "if you put time of use in or anything closer to what wholesale rates actually look like then that in itself is incentive enough because those price signals make all those things economic." Both Mr. Reive and Mr. Herrald agree that a timetable on a new system hinge on the investment decision of an AMI system. Ms. Burns agreed that the time of use rate structure would simplify the issue at hand but she does not believe it is possible to approach the right solution in the short term without creating the correct rate structure. Ms. Burns questioned Mr. Reive on his proposal to treat a kilowatt as a kilowatt. She stated that we actually bill now as if a kilowatt hour were a kilowatt hour that's how our whole system is operating but the problem comes when

you look at our bill there's actually five pieces to the bill that need to be considered. Mr. Reive clarified that he would not credit anything. Instead, he would take the solar meter read and the consumption meter read and retain a tally in a field on the bill that would "zero out" at a defined date yearly. Mr. Reive also questioned Mr. Herrald on the pricing model of east versus west facing roofs. Mr. Reive does not want to incentivize west facing roofs based on economics compared to east facing roofs. He is proposing that those kilowatt hours that you accumulate can only be applied to the off-peak rate when we are in a situation of having time of use metering. Mrs. Burns questioned what point of the year would you want to get to zero. Mr. Reive stated that he chose March arbitrarily because it is the beginning of the solar year in terms of reasonable amounts of production and the end or towards the end of the heating season. Mrs. Burns stated that she and Mr. Reive differ on whether or not we should be encouraging people in town to be energy producers. She stated that part of our mission statement calls for moving towards a power supply that encourages carbon free emissions energy generated in town. She said that "west facing roofs produce energy during the time when we need it the most and so why would we cut down on the most expensive energy and the dirtiest energy that we buy during the peak if people are producing clean energy in town during the peak time. I'm not sure why we shouldn't encourage that." Mr. Reive stated that "if we incentivize western faces facing roofs because of our pricing policy we are disincentivizing eastern roofs that will end up producing the same amount of power. We need to make it fair for people who have east and west facing roofs so that the west facing roofs don't have an unfair advantage over those customers that have east facing roofs in our rate structure." Mr. Reive said that his overall goal is to have lots of solar systems all over town so we have the extra resilience if those solar systems are turned into microgrids during a grid outage which may be beyond the control of HMLP. He believes that west facing roofs will produce power during the peak in summer whereas east facing roofs will produce earlier in the day when pricing is less expensive so to equal the playing field, he would like anybody who produces a kilowatt hour has the right to use that kilowatt hour over the course of one year and if they don't use it within that year, they lose it. Mr. Reive wants to treat all ratepayers and all potential solar customers the same and provide the same incentive for them to go solar. Mrs. Burns recommended that the Board not adopt a policy now about how it's going to be under time of use rate because we don't know what that system is going to look like. Mr. Reive further explained that you want to incentivize people to reduce consumption during the peak times thereby saving the whole town money because we have to go less to the market when prices are the highest. But that also incentivizes people to put in their own batteries or plug in their cars into their homes so that they're using battery power to cook meals and run the oven and not run the dryer during peak times. Mr. Herrald believes that economics will drive that behavioral change. Ms. Burns asked Ms. Griffin if the current HMLP billing system can do what Mr. Reive has presented. Ms. Griffin responded that she did not think our billing system is sophisticated enough to do this and she does not believe we can just change our year end to March (December and June are our only options). Mrs. Burns asked Mr. Reive to meet with Ms. Griffin and Mr. Morahan offline to go through the practical difficulties of the billing aspect of his proposal. Mr. Herrald stated that he likes to "look at things from the ratepayer's perspective. The evening peak is the most valuable time and I actually want to incentivize people to produce power at that time. When people buy a house, it has certain advantages and disadvantages and they accept that whether it's an east or west facing roof. If they have an advantage roof then I'm totally okay incentivizing them to put solar panels on their roof and to help shave that most critical peak...I want to encourage that as opposed to treating people the same Mr. Kevin McGill, 45 Liberty Pole Rd, questioned whether the recommendations from the rate study were acted on. Ms. Burns responded that the Board has adopted those recommendations with the exception of the solar credit and that is why it is still being discussed. Mr. McGill then asked if UFS, the company that did the rate study, recommended that the solar credit be lowered. Mr. Morahan stated that UFS first thought the credit should be raised based on the data from the prior year but Mr. Herrald asked UFS to give a 3-year and 5-year average. Mrs. Burns explained that she is not convinced that UFS's recommendation

accurately reflected the avoided cost of HMLP in compensating the solar customer. The Board agreed to come back to the topic of Solar Credit at another meeting.

Financing Options for Ratepayers - Mr. Reive

Ms. Burns asked Mr. Reive if this is about incentives or is this about literal financing. Mr. Reive responded that he wanted to bring attention to the need to have a similar program for residents that are not on an investor own utility incentive plan. Ms. Burns asked Mr. Reive to write up a proposal that can be discussed at the next meeting.

Demand Response

Mr. Morahan stated that Energy New England (ENE) has not responded back to his latest inquiry. He did receive pricing back in December but ENE was still trying to figure out how many MLPs would join the program. Ms. Burns expressed her frustration at the length of time that it is taking ENE to respond and it appears that they are not able to enlist enough MLPs to make it financially feasible. Mr. Morahan is looking into MMWEC programs.

Approval of Meeting Minutes - November 14, 2023 & December 12, 2023

November 14, 2023

Mr. Reive believes that one paragraph seemed a little out of context re: transformers at the substation and he would like it moved to a different place.

December 12, 2023

No changes.

Motion to approve November 14, 2023 and December 12, 2023 minutes:

Mr. Herral - 'Aye'

Mr. Reive - 'Aye'

Mrs. Burns - 'Aye'

Financials

month/year	kwh sold	revenue	expenses	net income
Nov-23	13,607,917	2,289,528	2,135,769	153,760
Nov-22	12,716,842	2,435,127	2,161,879	273,248
Nov-21	12,788,404	2,111,841	2,238,975	(127,135)
YTD/year				
Nov-23	171,662,047	32,220,795	27,202,872	5,017,924
Nov-22	176,469,589	31,318,141	28,330,871	2,987,270
Nov-21	176,820,739	28,685,433	26,939,038	1,746,395

Mr. Morahan presented the financials and stated that there is a concern about going over the 8%. HMLP cannot make more than 8% so in November 2023 we lowered the PCA to zero and we continued that for the remainder of the year. He stated that we do have another issue with revenue due to spending from the "green fund" as it has to be recognized as revenue when spent as opposed to when the funds are received. This is increasing our revenue higher than what we expected. Ms. Wetzel questioned how much money is in the green fund, what is the green fund supposed to be for, and how is it funded? Ms. Burns stated that "when we buy renewable energy contracts for solar or Hydro or wind often it comes packaged with what's called Renewable Energy Credits (REC). Those renewable energy credits can be sold on a marketplace which brings in revenue or they can be retired. In order for the entity that's retiring them to say this energy that we're using is green, if you sell it on the marketplace, you're selling the right to refer to the green energy to someone else right now.

We are selling those renewable energy credits and putting them into a fund and our intent with that fund is to provide the town some funding to pay for the creation of their climate action plan which is completed, build solar arrays on municipal properties, build the HMLP solar array and the array at the landfill.” Ms. Wetzel asked how this fund benefits the town's people with rate reduction. Ms. Wetzel asked if there is a fund for rate reduction. Ms. Griffin responded that HMLP has a stranded cost fund and we put funds away for unexpected fluctuations in energy costs. She stated that the rule of thumb is to keep three months’ worth of power costs in a rate stabilization fund. Ms. Wetzel asked how much was in that fund and Ms. Griffin responded “off the top of my head around \$7 million”.

Updates: Transmission Line Project, EV chargers, HMLP Solar, Municipal Solar, Landfill Solar, Capital Projects

Mr. Morahan stated that he has some upcoming meetings with Eversource and there is a meeting at an elderly housing building in Weymouth on Broad Street to discuss the Transmission Line Project. The Siting Board will probably review the project in Spring 2024 as we are still awaiting information from Eversource.

Alterations have been made to the level 3 EV chargers at Station Street and Lynch Field to make them handicap accessible. That work is complete and they are functional.

Construction is underway on the HMLP Solar. The steel is in and they will be installing panels soon.

It is a priority to find a designer for the Landfill Solar.

Only the capital budget has been finalized but our expense budget is not. Ms. Griffin and Mr. Morahan are working on completing the budgets for next month due to the issue with additional revenue from the “green fund”.

Motion to adjourn the meeting.

Mr. Reive: “Aye”

Mr. Herral: “Aye”

Ms. Burns: “Aye”

Meeting adjourned at 9:11 am