



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
November 14, 2024

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 4:00 PM on Thursday, November 14, 2024, 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
Steven Girardi, Engineering Manager
Joan Griffin, Business Manager
Brianna Bennett, Sustainability Coordinator

Meeting Called 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 2 of the Act of 2023 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.

Financials:

HMLP kilowatt-hour sales and revenue were lower this month than in the past couple of years. However, expenses remain in line, and the net income for the month stands at \$629,000. Year-to-date, our net income is \$4.2 million, which aligns with the projected 8%. HMLP anticipates ending the year close to that 8% mark. There are no plans to adjust the Power Cost Adjustment (PCA) between now and year-end. While we may end slightly over 8%, conversations with the Department of Public Utilities (DPU) suggest this won't be a significant issue, as long as we can justify it. This year, the overage is due to changes in how we recognize our Renewable Energy Credits (REC) revenue. Our auditors have indicated that this justification should suffice.

Previously, REC revenue was recognized as it was spent, which often included capitalized items impacting our bottom line. Now, we recognize REC revenue as it comes in, providing better control. This year, we'll be adding another \$1.2 million in REC revenue for 2024 before year-end, which contributes to our closeness to the 8% threshold.

month/year	kwh sold	revenue	expenses	net income
Sep-24	17,271,700	3,058,871	2,429,306	629,565
Sep-23	20,150,320	3,660,876	2,342,916	1,317,960
Sep-22	19,821,479	3,657,867	2,768,671	889,196
YTD/year				
Sep-24	147,766,902	27,290,509	23,095,327	4,195,182
Sep-23	144,530,078	27,616,122	22,789,274	4,826,849
Sep-22	150,025,686	25,952,759	23,818,579	2,134,180

Discussion on a Hearing for the Next Rate Increase - Board:

The Board discussed organizing a public hearing regarding the third and final scheduled rate increase, set for January 1, 2025. The aim is to provide transparency, explain the reasoning behind the increase, and offer the public an opportunity to ask questions and share feedback. A hybrid meeting is preferred, combining in-person attendance at Town Hall with a Zoom option to accommodate a broader audience. The hearing will be held on Tuesday, December 17, at 7:30 PM, ensuring it takes place before the rate increase takes effect on January 1, 2025.

Board members suggested that the public hearing include a presentation to explain the history of rate increases, their rationale for the increase, and comparisons with rates of other light plants and investor-owned utilities. A timeline will be included to demonstrate that this increase is part of a long-planned initiative and not a sudden change.

Hingham Light staff will develop the presentation content, contact the Town Administration to confirm venue logistics and technical support. A legal notice of the rate increase will be published in the local newspaper, and customers will be notified of the increase through email and social media. Board members will review and provide feedback on materials in advance of the hearing.

NextZero Legacy Customer Discussion – Brianna Bennett

Ms. Bennett discussed the transition to the new demand response program with NextZero, specifically the Connected Homes initiative. Until June 2024, some customers had been participating in HMLP's behavioral off-peak charging program, which allowed them to register their Electric Vehicles (EVs) and receive bill credits for charging during off-peak hours, thus helping HMLP to manage load effectively. However, with the transition to demand response software, a group of these legacy customers can no longer connect to the new program because they have EV charging equipment that is not compatible with the new software.

To address this, HMLP explored several options to reintegrate these customers into an off-peak charging structure while providing incentives for their participation. After careful consideration, it was determined it wasn't feasible to run a parallel behavioral program like before due to various constraints. Instead, we propose allowing these customers to enroll as new participants and become eligible for a charging rebate.

Under this proposal, legacy customers could join our EV scheduled charging program, which is designed for individuals who recently purchased an EV and are seeking rebates for eligible charging equipment. This program offers a rebate of up to \$600 to cover charging equipment costs, incentivizing customers to participate in scheduled off-peak charging. Customers would commit to this program for three years, during which they would continue charging during off-peak hours as they had in the past. After this three-year period, they would be eligible to transition to the Connected Homes program.

The Connected Homes program differs in that it operates on demand response, focusing on specific peak events rather than daily off-peak schedules. By first integrating legacy customers into the scheduled charging program, we provide a structured path for them to adapt to the new system while aligning with load management goals.

This solution ensures continuity for affected customers, avoids the complexities of running parallel programs, and supports the broader objectives of the NextZero initiative. The rebate offsets the cost of compliance, helping to smooth the transition and maintain customer engagement.

The board discussed the importance of highlighting program risks, such as potential ineligibility if manufacturers exit or equipment becomes unsupported. They also emphasized ensuring clear communication to customers about these risks in contracts and terms and conditions. Suggestions included maintaining a vetted list of recommended chargers, like ChargePoint and Emporia, to ensure longevity and compatibility with the program. Overall, the board supported the proposal and encouraged adjustments to enhance customer transparency and manage expectations effectively.

Income Adjusted Rate Review - Board

The agenda item discussed was a periodic review of the Income-Adjusted (IA) rate, implemented last January 2024 with a commitment to assess its uptake and impact quarterly. Mr. Morahan reported that 164 customers are currently enrolled, resulting in a year-to-date cost of \$11,697. Additionally, one customer is enrolled in the general heat IA rate, with a minimal impact of

\$3.88 year-to-date, although this rate's impact may become clearer after winter. The low uptake for this rate could reflect the challenges faced by renters who may not have the flexibility to transition to energy-saving systems like heat pumps.

When asked about the program's financial impact, Mr. Morahan expressed confidence that the current cost is manageable. The Board discussed the possibility of increasing the 10% credit, initially agreeing to delay any changes to observe the program's trajectory. Mr. Reive proposed a 5% increase now, with a potential reassessment for an additional increase after further evaluation. There was general agreement, albeit cautious, given the potential growth in enrollment.

Ms. Burns entertained a motion to increase the Income Adjusted rate credit by 5%. The motion to increase the credit by 5% was seconded after ensuring the financial impact would remain manageable.

Mr. Reive: "Aye"

Mr. Herrald: "Aye"

Ms. Burns: "Aye"

Policy on Voluntary Payment to the Town – Tom Morahan

Mr. Morahan presented a draft policy that had been reviewed by HMLP's legal counsel. During the previous meeting, the Board had discussed the need to develop this policy, have it reviewed, and bring it back for further discussion. Following this process, Mr. Morahan shared the document, and the Board members reviewed its contents.

HMLP Voluntary Earned Surplus Payment to the Town Policy

The HMLP Board has authority to make a voluntary payment to the Town of Hingham from unappropriated earned surplus on an annual basis. The Voluntary Payment amount shall be based on the calculation of the number of kilowatt hours sold by HMLP on an annual basis multiplied by \$0.0025 per kilowatt hour. The minimum payment that HMLP will endeavor to make to the Town is \$450,000 from earned surplus funds. If HMLP does not have sufficient earned surplus funds, no payment will be made or the payment shall be reduced accordingly. The voluntary payment from surplus shall be paid in June of the following year following a Board Vote authorizing the same

Calculation:

of kWh sold x \$0.0025/kWh = Voluntary Earned Surplus Payment

The \$0.0025/kWh is based on the average Voluntary Payments by other Municipal Light Plants in Massachusetts. HMLP will review this number each time a survey of the Voluntary Payments paid by Municipal Light Plants is conducted by MEAM and ensure that the figure is updated to remain at the average amount paid by other Municipal Light Plants.

Ms. Burns suggested a clarification in the language regarding how the payment amount is determined. Instead of stating the formula is "based on the average voluntary payments by other Municipal Light Plants," she recommended revising it to specify that the calculation is based on

the method used by the majority of Massachusetts Municipal Light Plants. This change would better reflect the approach used to set the payment rate. The Board agreed with the suggestion.

Another recommendation was to incorporate language ensuring that the decision to make a voluntary payment would be subject to an annual vote by the HMLP board. This addition, based on advice from the HMLP's attorney, would emphasize that payments are contingent on the board's determination of sufficient surplus funds. The suggestion was discussed and accepted, with the clarification that the payment is not compulsory but discretionary and requires a formal vote each year.

After confirming there were no further comments or questions from the Board, staff, or members of the public, the policy, with the proposed amendments, was put to a vote.

The Board then voted to approve the policy.

Mr. Herrald: "Aye"

Mr. Reive: "Aye"

Ms. Burns: "Aye"

MEAM (Municipal Electric Association of Massachusetts) Letters to DOER regarding Heat Pumps and Large Buildings - Board

The next agenda item addressed letters sent by the Municipal Electric Association of Massachusetts (MEAM) concerning heat pumps and large buildings. These letters, directed to elected officials, included opinions that had not been reviewed or approved by many municipal light plant boards, a practice board members found concerning. Mr. Reive voiced strong disapproval of the lack of consultation, stressing that decisions of this nature should involve input from policy boards.

Mr. Morahan confirmed that he had not seen the letters prior to their distribution. He explained that they had likely originated from MEAM's legislative committee. While some discussions about the issues occurred during MEAM meetings, the decision to send the letters without consulting individual Policy Boards highlighted a long-standing issue with the Managers Association acting on policy matters independently of the boards they represent.

The Board debated the appropriateness of this approach. Mr. Reive suggested drafting a letter to MEAM, objecting to their actions and reinforcing the need for policy boards to be consulted before speaking on behalf of municipal light plants. Mr. Herrald agreed, emphasizing the importance of being kept in the loop on such matters. The Board agreed that a formal letter should be sent to MEAM, highlighting their concern about this recurring issue. Mr. Morahan agreed to draft a letter for the Board to review, emphasizing the importance of consulting policy boards before advocating for policies on Beacon Hill. The board unanimously supported this approach.

Approve Meeting Minutes 10/8/24

The meeting minutes of October 8, 2024 were approved after making the following minor changes. Ms. Reive noted there was a reference to "convert Electric Systems," which he believes should simply read "convert to Electric Systems." He also pointed out a typo where "rated" should actually be "related," and "15 to 20 megawatt" should be corrected to "15 to 20 megawatt hours,". Ms. Burns also corrected the spelling of Dedra Lawrence's name to (D-E-I-D-R-E). With no further edits or comments, the board expressed their appreciation for the thoroughness of the minutes.

Ms. Burns entertained a motion to approve the meeting minutes of October 8, 2024.

Mr. Herrald: "Aye"

Mr. Reive: "Aye"

Ms. Burns: "Aye"

Updates: Transmission Line Project, Municipal Solar, Capital Projects, Demand Response Program

The **transmission line project** has reached a significant milestone, as it was filed with the Energy Facility Siting Board on November 13, 2024. All related project documents are now available on the HMLP website. The General Manager update has been posted on our website and will also be distributed to HMLP customers via email and mail. A press release was scheduled to be issued today, November 14, 2024. This marks the transition to a new phase of the project, which includes public meetings organized by the Siting Board. These meetings will provide an opportunity for customers to share their input. Although specific timelines for these meetings are not yet available, discussions with Rob Shapiro suggest they may begin around March or April, 2025.

The projected total cost is \$100 million—\$40 million allocated for the Eversource station and \$60 million for the HMLP station and associated work in the area. Current expenditure details are not yet available but will be obtained soon to provide transparency, as this information is of interest to many. Rate increases implemented over the past three years should adequately cover the project's costs moving forward. Typically, the Siting Board approval process takes about two years. We anticipate addressing Town Meeting about the project not in the upcoming year (2025) but the following year (2026), once enough information is gathered to develop a warrant and secure necessary funding.

Construction is estimated to take approximately two years; however, progress may face delays due to restrictions on purchasing equipment prior to Siting Board approval. Some equipment has long lead times, which raises concerns about potential delays. Unfortunately, preemptive orders to reserve a spot in the queue are not permitted without the required approvals.

Ms. Burns noted the filing represents a major step forward, and the team's diligent efforts over the years are commendable. It's a significant milestone to have the project officially filed and moving into this next phase of development.

The **Municipal Solar** Task Force is actively engaging new participants and collaborating with the town on solar projects for the Foster School and public safety buildings, with discussions progressing well. The building committees for these projects will oversee bidding at the end of the construction process, utilizing any remaining contingency funds. These visible solar arrays are expected to encourage further adoption and reduce concerns about solar projects in the community.

In the **Capital Projects Update**, progress continues on the reconductoring of Circuit 9, focusing on the East Street portion. Completion is expected by year-end, with delays attributed to Verizon's pole installations. The Transmission Insulator Project has been delayed due to equipment availability and pending permits, with work now expected to begin next spring.

The **Demand Response Program** is running smoothly. Ms. Bennett is expecting an updated report from MMWEC and will provide the Board with a redacted version for review, including details on the number of demand events and other relevant data.

Regarding the Solar Installation Update, the solar array at the HMLP building is nearing completion and is expected to be operational by next Friday, November 22, 2024. Recent work included a transformer and cable replacement during an outage last Friday, with additional work scheduled for this Friday, November 15th, to finalize the installation.

Motion to adjourn

Ms. Burns entertained a motion to adjourn.

Mr. Reive: "Aye"

Mr. Herrald: "Aye"

Ms. Burns: "Aye"

The meeting adjourned at approximately 5:15 pm.