



HINGHAM MUNICIPAL LIGHTING PLANT

31 Bare Cove Park Drive
Hingham, MA 02043
(781) 749-0134 FAX (781) 749-1396
www.hmlp.com

General Manager

Thomas Morahan
tmorahan@hmlp.com

Board Members

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

MEETING HINGHAM MUNICIPAL LIGHT BOARD

December 17, 2024
Hybrid Meeting

In-Person: Town Hall Central Meeting Room 2nd Floor
210 Central St. Hingham, MA 02043

Zoom link: <https://us02web.zoom.us/j/86711499277>

Meeting Called to Order

A meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order by the Board's Chair, Ms. Burns, at approximately 7:30 pm on Tuesday, December 17, 2024. This is a hybrid meeting.

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

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.

Public Information Session on 2025 Rate Increase

Ms. Burns provided some history of Hingham Light and explained that the Light Board, consisting of herself, Tyler Herral, and Michael Reive are responsible for setting rates and policies and they hired the General Manager, Tom Morahan. Mr. Morahan is responsible for the day-to-day operations, procuring power, and carrying out the policies of the Board. Ms. Burns stated that the mission is to keep rates reasonable while striving for high quality service and environmentally sustainable operations.

Ms. Burns explained the slide, ***Why are Rates Increasing***. The three reasons that rates are increasing is because a rate study was done by Utility Financial Services and they found that HMLP needs to (1) address the rising energy costs, (2) pay for large capital projects and (3) ensure they can deliver reliable and affordable electricity while preparing for the future.

On the ***HMLP Board Goals for Rate Design***, Ms. Burns states that there were five (5) goals set for the rate design:

- Equitable - Costs paid by those who incur them
- Ensure revenue sufficiency and stability
- Protect low-income customers
- Align customer savings with utility savings.
 - This is possible because HMLP is owned by the customers
- Simple, feasible & understandable
 - Rates design is very complex so we are providing as much clarifying information as possible.

Ms. Burns explained the three reasons ***Why are Rates Increasing*** in a chart.

(1) Hingham Electrical Infrastructure & Reliability Project (HEIRP)

This \$100 million project cost is an estimated cost as of November 2024. The estimated cost has varied from \$60 million to \$110 million over the past few years. Due to uncertainty. The cost includes a new underground transmission line from Weymouth and a new substation next to the existing one at the transfer station. The purpose of the project is to increase reliability, resilience, and capacity. The \$100 million cost is for Eversource to build the tap station where the underground line will begin in Weymouth. Any future cost changes will be due to cost of goods and inflation.

(2) Reliability

Currently all power arrives in Hingham over two lines on one set of poles. The new underground cable will prevent an all-town outage from loss of existing overground lines.

(3) Capacity

The new capacity will be sufficient to meet projected future increases in demand. This increase in demand will come from the rise in electrification of heating and vehicle fueling over the next decades.

Ms. Burns explained that planning for this project has been a monumental task as HMLP and the Board work with consultants on design and technical specifications. She presented a ***Project Timeline (to date)*** which contained the following:

- *Planning began in 2017*
- *2021: Two community meetings were conducted prior to Town Meeting to discuss the plan*
- *2022: Substation site approved at Town Meeting.* Ms. Burns stated that the site is right next to our current substation at the landfill.

- *2022-2024: 10+ meetings in Hingham & Weymouth.* Ms. Burns explained that these meetings were to discuss the plan with the population that will be impacted by the construction.
- *2024: Joint meeting with the Planning & Zoning Boards.* Ms. Burns stated that both Boards agreed with the design and issued a standard set of conditions that HMLP will adhere to.
- *On November 13, 2024 HMLP filed for a permit with the state Energy Facilities Siting Board.*
- *This process is expected to take two years.*

Ms. Burns presented a ***Timeline of the Rate Study and Planned Rate increases.***

Step 1: June 2022 UFS began the rate study

Step 2: January-May 2023 UFS met with the HMLP Board several times to present the rate study and address questions.

Step 3: May 2023 The HMLP Board voted to approve the rate study's recommended rate Increase.

Step 4: June 2023 a 6% increase was implemented. The first of the three rate increases goes into effect. HMLP decided to phase-in the rate increase in three adjustments.

Step 5: February 2024 a 6% increase was implemented. The second of three rates increases go into effect.

Step 6: January 2025 a 6% increase was implemented. This is the third and final installment of the recommended rate increases.

Ms. Burns stated that, based on the current cost estimates, these increases will be sufficient to cover the cost of the HEIRP project.

In reference to the five goals that the HMLP Board set for the rate design, they believe that three of the five goals were achieved. The three goals achieved were (1) ensure revenue sufficiency and stability, (2) protect low-income customers, and (3) simple, feasible and understandable rate design. Ms. Burns stated that the Board created an income adjusted rate to help customers pay their bills. In order for a customer to qualify for the income adjusted rate the customer must participate in one of the many programs (income supporting/means-tested) listed on our website. Ms. Burns said that the Board has watched the uptake in participation over the year and as a result they have raised the income adjusted rate to 15% from 10%. The 15% discount is taken off a portion of the bill (Customer Charge and the Capacity, Distribution, & Transmission Charge).

Ms. Burns stated that the two goals that were not achieved, equitable and align customer savings with utility savings, are very difficult to achieve because of our rate structure. The Board has been talking extensively about wanting to switch from the current rate system where all customers pay the same rate regardless of when they use the electricity to a time of use (TOU) rate. A TOU rate exists where people who use electricity when it is most expensive for us to buy it (peak time - 5:00 pm-7:00 pm) will pay more and those that use it during off-peak times will pay less. HMLP cannot move in this direction right now because our current meters do not have the capability. Ms. Burns stated that the Board is still discussing replacing the current meters in the next few years but we already have our capital funds committed to other projects.

Ms. Burns presented two charts that show the change in kWh price and customer charge from 2014 to 2024. She explained that our kWh rate has consistently been between \$0.14 and \$0.16 during that time frame. A second line was added on the chart of the ***Changes in kWh Prices from 2014-2024*** to show the kWh hour charge adjusted for inflation. When the kWh charge is adjusted for inflation, HMLP is actually bringing in less dollars compared to 2014, even though rates have increased. Ms. Burns is bringing up this point to accentuate that HMLP is trying to maintain their current levels of service with less money.

The next chart displayed was for the *Change in the Customer Charge 2014-2024*. The Customer Charge, which covers our administrative expenses, has fluctuated from \$6 to \$12.86 during this timeframe. This appears to be a large increase; however, when she presented a *Sample bills for Sept 2014-2024* for a home which uses 750 kWh of consumption, the Customer Charge is a very small portion of the bill. That same information is then charted to adjust for inflation and shows that HMLP needs to keep up with inflation.

Ms. Burns then presented the *Comparing Electric Rates* chart which showed how HMLP compares with other municipal light plants and investor-owned plants (Eversource & National Grid). Hingham falls “in the middle of the pack” when it comes to rates.

Ms. Burns transitioned to slides describing how you can *Lower Your Electric Bill*.

- Rebate programs - we offer a no-cost home energy assessment to go along with these programs.
- Income Adjusted Rate - Currently 10% but will be increasing to 15% on a certain portion of your bill and the customer must qualify through participation in state or local programs.
- Bill Payment Discounts - If the customer pays early or is on autopay, they will save approximately 10%.
- Enroll in Demand Response - Allows customers to enroll eligible WiFi devices with Connected Homes which will lower electricity usage during peak hours, save money and earn bill credits and avoid costs for all ratepayers.

HMLP Sustainability Plan

Mr. Morahan stated that the Board asked him to look at a five-year sustainability plan. He reached back out to the Shpigler Group, the vendor that already gave HMLP a proposal to write a plan. Shpigler has been successful in getting grants for their customers to create their plans and execute on their findings. Mr. Morahan has asked Shpigler to present at the next board meeting.

Approval of Meeting Minutes for November 14, 2024

Vote:

All in favor -Aye

Financials

Mr. Morahan stated that Net Income was \$418,000 for the month of October 2024 which was in line with where we thought we were going to be and is within the 8% profit limit. As long as November and December come in where we think then 2024 will end with HMLP in good shape. The Year-to-Date (YTD) Net Income is \$4.6 million so we are doing very well financially.

Updates

- *Transmission Line Project:* Mr. Morahan stated that meetings continue and there have been some suggestions for changes to our website to ensure we are in line with what the Siting Board expects. Rob Shapiro, the HMLP lawyer for this project, believes we may hear from the Siting Board as early as February. Once we hear from the Siting Board then they will provide HMLP with a timeline of when community meetings can be scheduled. A new Hearing Officer has been assigned to our case so we are hopeful that his case load is not as large.

- *Municipal Solar:* Ms. Burns stated that conversations continue and the Solar Task Force is considering requesting funding at Town Meeting from the “Unassigned Fund Balance” to do a study on the condition of the municipal roofs. Brianna Bennett created a tool to calculate the payback on the solar but until we know the condition of the roofs, we cannot make a schedule. Ms. Burns is trying to set up individual meetings with members of the Select Board to discuss their interest in the study. Ms. Burns also announced that Heidi Ragone, a business owner and commercial building owner in Hingham has joined the Solar Task Force and is promoting the PACE program.
- *Capital Projects:* Mr. Morahan stated we have finished the majority of reconductoring circuit 9. We are still waiting on a permit from the MBTA to replace the insulators on the transmission line. We cannot bid on that project until we receive the permit from the MBTA. We have been waiting on this permit since the spring.
- *Demand Response Program:* Mr. Morahan stated that the program is doing well and the first round of payments were applied to approximately 100 customers. Ms. Bennett said that the largest payment was \$40. Ms. Burns expects a report from Connected Homes stating how much was spent on rebates and how much we saved on power. Ms. Bennett said that the report is not available at this time but they will be working on it. She also offered to have Connected Homes come to an upcoming meeting to discuss how they engage manufacturers. Ms. Burns said that we do need to have that information to determine if HMLP made the right decision, in terms of saving money over time. She stated that this item can be removed from the update list.

Mr. Herrald asked if it is possible to install solar at Derby Street. Ms. Burns stated that we have reached out to the Development Corporation at Derby but have not received any answer at this time.

Motion to adjourn the meeting.

All in favor - Aye

Meeting adjourned at 8:08 pm