

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: January 2, 201~~8~~⁹
AT (OFFICE): NHPUC

RF

FROM: Rich Chagnon
Utility Analyst – Electric Division

SUBJECT: DE 18-173, Laconia Housing Authority
Petition for Waiver of Puc 303.02; Master Metering

NHPUC 2 JAN 19 PM 4:30

TO: Commissioners
Debra Howland, Executive Director

CC: Tom Frantz, Director, Electric Division
Amanda Noonan, Director, Consumer Services and External Affairs
Les Stachow, Assistant Director, Electric Division
Mary Schwarzer, Staff Attorney

Summary

On November 18, 2018, Laconia Housing Authority (LHA), a non-profit subsidized public housing agency in Laconia, New Hampshire, filed a request for waiver of N.H. Code Admin. Rules Puc 303.02 (master metering rule) with respect to renovations to LHA's newly acquired Sunrise House property located at 423 S. Main St. in Laconia. The Sunrise House will provide affordable housing for twelve units for low-income elderly residents in need of support services. It will also provide four units for similarly situated moderate income elderly residents at market rates.

Staff believes there are particular aspects of the proposed renovation that justify granting the rule waiver requested. Staff recommends that the master metering rule be waived for the Sunrise House property for so long as the property remains subsidized public housing for at least twelve low-income households, with any moderate income households treated as described herein.

Background

LHA is a Housing Choice Voucher program (Section 8) and public housing agency in Laconia, New Hampshire. LHA provides affordable housing for low and moderate income households in the Lakes Region area.

The Sunrise House is a former commercial office building. It is being fully renovated as a residential building. Low-income residents at Sunrise House will pay 30 percent of their income (adjusted for medical costs, etc.) each month; the federal Department of Housing and Urban Development (HUD) makes up the difference between the low-income residents' rent share and each unit's contract rent. Costs for heat, cooling, domestic hot water, water and electricity will be included in the rent and paid by LHA. Moderate income residents will have access to assistance with support services for additional fee(s). The above utility charges will also be included in moderate-income residents' rents, and paid for by LHA.

Laconia Housing Authority (LHA) Sunrise House

The Sunrise House renovations will turn an existing former commercial building into 16 fully accessible housing units (14 one bedroom units and 2 two bedroom units), and community spaces, including a dining room and laundry facilities. LHA has already installed individual meter sockets (one per residential unit) for future changes, if any. Accordingly, LHA is seeking a waiver of the master meter rule in order to realize savings from a change in rate and service charges, and for the administrative convenience and savings that flow from receiving – and paying—one bill.

Twelve of the sixteen units will be rented to low-income seniors age 62 or older who meet federal income requirements and who can remain living independently if assisted with daily living activities such as grooming, meals, medication management, and transportation. Lunch, dinner, and socialization will be available to low-income residents on a daily basis. Medicaid's Choices for Independence (CFI), available to those who qualify for Medicaid, will cover the cost of supportive services for the low-income residents.

The remaining four units will be available to moderate income seniors age 62 or older, and rented at market rates. Rents will include all utilities. Prospective eligible residents in these four units must require assistance with daily living activities also, and will have access to assistance for an additional fee. Service packages will be affordably tailored to moderate income residents' specific needs.

In a December 14th filing, LHA provided Staff with the following list of energy efficiency measures being installed during the renovation of this property:

- High Efficiency Gas Domestic Hot Water Heater (97% AFUE)
- All lighting to be high-efficiency LED with dimmable capability
- All appliances to be ENERGY STAR
- Air to Air Energy Recovery Units
- Envelope upgrade with Structural Insulated Panels (SIPs) and windows to achieve a Home Energy Rating System (HERS) index to meet Energy Star Rating

- Low temperature/high efficiency Mitsubishi Air Source Heat Pumps for heating and cooling. (SEER> 19)
- Low flow water devices (1.28 gpm toilet, 1.5 gpm water faucets)
- This retrofit/renovation exceeds the New Hampshire Building Code Energy Requirements (IECC 2009)

In addition LHA plans to install a new roof-mounted solar photovoltaic system which will reduce LHA's utility bill. Further, LHA's financial agreement with New Hampshire Housing requires a minimum of 40 year compliance with benefits to income eligible tenants.

Eversource's Position

Staff contacted Eversource regarding LHA's master metering rule waiver request for Sunrise House. Eversource informed Staff that based on the information provided, Eversource does not object to the location being master metered given LHA's primary intended use of the property will be for subsidized low-income residential units.

Analysis

The Master Metering Rule, Puc 303.02, provides as follows:

- (a) No utility shall install master metering in a building with multiple dwelling units. The energy in each dwelling unit in such a building shall be separately metered;
- (b) A utility shall only install master metering in commercial buildings and as consistent with the International Energy Conservation Code 2009 (Code) as adopted pursuant to RSA 155-A:1,IV; and
- (c) Hotels, motels, dormitories, boarding houses and time-sharing interests in condominiums as defined in RSA 356-B:3 shall not be considered a dwelling unit within the meaning of Puc 303.02(a) above.

The Waiver of Rules, Puc 201.05, provides as follows:

- (a) The commission shall waive the provisions of any of its rules, except where precluded by statute, upon request by an interested party, or on its own motion, if the commission finds that: (1) The waiver serves the public interest; and (2) The waiver will not disrupt the orderly and efficient resolution of matters before the commission.
- (b) In determining the public interest, the commission shall waive a rule if: (1) Compliance with the rule would be onerous or inapplicable given the circumstances of the affected person; or (2) The purpose of the rule would be satisfied by an alternative method proposed.

- (c) Any interested party seeking a waiver shall make a request in writing, except as provided in (d) below.
- (d) The commission shall accept for consideration any waiver request made orally during a hearing or pre-hearing conference.
- (e) A request for a waiver shall specify the basis for the waiver and proposed alternative, if any.

In the absence of the requested waiver, Eversource would be required to install individual electric meters for each dwelling unit, despite the fact that individual electric service charges will not be assessed directly to the residents of those units.

The purpose of the master metering rule is to incentivize energy conservation and efficiency. Here, that purpose will be met by the alternate method of making the building's envelope energy-efficient and through the installation of a number of energy-efficient mechanical, lighting, and power systems. In addition, the objective of the master metering rule to incentivize customer energy conservation through individual metering is diluted in this case because tenants will not pay their own utility bills.

Further, unlike typical multi-dwelling unit buildings, all residents will be seniors age 62 or older and will have access to a community dining room, laundry room, and assistance with the activities of daily living; including grooming, meals, transportation, and medication management. These features justify granting Sunrise House the rule waiver requested.

Consistent with Puc 201.05, Staff concludes that the waiver would serve the public interest by satisfying the purpose of the rule through an alternative method, i.e., the installation of a number of energy efficient mechanical, lighting, and power systems in connection with this substantial building renovation; and the waiver would not disrupt the orderly and efficient resolution of matters before the Commission.

Recommendation

Based on the foregoing analysis, Staff recommends that the Commission grant the request for a waiver of the master metering rule in Puc 303.02 for LHA's Sunrise House, and that the waiver be in effect for so long as that property remains subsidized public housing for at least twelve low-income households, with any moderate income households treated as described herein. If LHA's Sunrise House building is no longer operated as described at some future time, then the waiver should no longer be effective and LHA should be required to install individual electric meters for each residence within the building, and promptly notify the Commission and Eversource of the changes.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**