



831 Court Street, Keene, NH 03431

Phone & TTD - 603.352.6161

Fax - 603.352.6845

April 11, 2018

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Ms. Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Re: Docket No. DE 18-019
Keene Housing Request for Waiver of PUC 303.02

Dear Ms. Howland,

Thank you for the opportunity to respond to the statement of position submitted by Eversource on April 4, 2018 related to Docket No. DE 18-019, Keene Housing Request for Waiver of PUC 303.02. Keene Housing (KH) is truly grateful to the Public Utility Commission (PUC) for allowing us to address the issues Eversource raises in their statement of position.

Before proceeding with a point-by-point refutation of Eversource's rationale for opposing KH's waiver request, I respectfully remind the Commission that N.H. Code Admin. Rules Puc 201.05 is unambiguous with respect to when a waiver shall be granted. The rule states that the waiver shall be granted when so doing serves the public interest. Further, the rule states that the public interest is served when "[c]ompliance with the rule would be onerous or inapplicable given the circumstances of the affected person.¹" KH believes that in this case, application of the rule is both onerous and inapplicable.

Specifically, the applicable rule requires KH to have a single meter for each dwelling unit it owns, even when the low-income elderly, disabled and family households living in the properties for which KH has requested waivers do not pay for their own electricity. These residents will never see an electricity bill. In fact, at two properties where residents previously paid their electricity bills, KH has recently taken over those accounts. Residents' energy consumption habits, therefore, will not change as a result of their units being individually metered; the residents are completely unaffected by the application of the rule.

None-the-less, KH bears the cost burden associated with having almost 350 individual meters, at the expense of KH's ability to reinvest in its aging housing stock and the development of desperately

¹ Rule Puc 201.05(b)(1).



needed new affordable housing. For context, an elderly or disabled individual looking for a studio or one-bedroom apartment will typically have to wait between two and a half and three years before one becomes available. The waitlist for a one-bedroom apartment at Stone Arch Senior Apartments, KH's newest affordable property for elderly and disabled residents, is almost eight years.

Taking all of this into consideration, KH hopes that the PUC will agree that application of the rule is onerous, in that it requires KH to use sparse funding for meter reads that would otherwise be used to benefit low income members of the public, and that, further, the rule is inapplicable because KH residents living in the properties for which KH has requested waivers do not pay for their electricity consumption. Finally, we respectfully remind the PUC that it approved a similar waiver request made by Twin Pines Housing² on March 29, 2018. We applaud the PUC for granting Twin Pines Housing a waiver, and we hope that the PUC will make the same decision in response to KH's waiver request, despite Eversource's opposition to it.

In its statement of position opposing KH's waiver request, Eversource presented several arguments against the PUC granting KH's request including:

1. Concern that a waiver would set a precedent for other customers in the same situation
2. The change in rate from residential to G or GV and associated demand charges were not considered
3. Two properties are on the HeatSmart program and it is not clear whether the shift to heat pumps that KH is considering would continue such service
4. Consideration of the costs associated with the engineering and electrical work needed to convert the facilities to a master or primary meter set up, which Keene Housing would be required to pay
5. Eversource provides KH other opportunities for reducing electrical costs and tools for monitoring usage

The following are KH's responses to each Eversource argument against the PUC granting KH's waiver request:

Concern that a waiver would set a precedent for other customers in the same situation

This seems to be the single argument held by Eversource that addresses the company's opposition to the waiver. KH understands that Eversource would prefer not to have multiple property owners seeking a similar waiver. However, the only Eversource customers who might submit a similar request, based on the same criteria, are other affordable housing owners and non-profit organizations. In any case, KH is not requesting that the PUC consider a change in rule, but rather that the PUC apply its current rules which, as described above, are unambiguous with respect to when a waiver shall be granted and, again, KH feels strongly that, as in the waiver granted to Twin Pines Housing, there can be little doubt that KH's circumstances meet the high bar set by the applicable PUC rules.

² Docket No. DE 18-020.

The change in rate from residential to G or GV and associated demand charges were not considered

KH understands that by consolidating meters the accounts will be on the G or GV rate with associated demand charges. Following submission of the waiver, KH conducted an in-depth analysis for Central Square Terrace, one of the properties for which KH is requesting a waiver, to be sure that KH will still realize significant savings through meter consolidation, even after going on the G or GV rate. An energy model using Trane Trace® software was completed, and annual demand was projected for all Central Square Terrace accounts. The results of this analysis appear in the table below:

Electric Meter Consolidation Analysis		
Estimated Annual Service Charge Savings (70 meters consolidated to 1)	\$ 10,303.92	per year
Estimated New Annual Service Charge Cost (New General Service Meter)	\$ 355.68	per year
Current Demand Charges for All General Service Meters	\$ 10,842.00	per year
Estimated Annual Demand Charges - New and Existing General Service Meters	\$ 17,172.00	per year
Estimated Annual Cost Savings - Meter Consolidation	\$ 3,618.24	per year

While the annual savings are not as significant as they would be if the accounts remained on the R rate, there are still significant savings to be achieved through meter consolidation. KH believes that this analysis makes the concern Eversource articulates on this point moot. It is also important to remind the PUC that in addition to reducing costs, consolidating meters will make it easier for KH to move ahead with its plans to expand its energy generation strategy through the construction of photovoltaic arrays across its portfolio, with a goal of relying on 100% renewables by 2035.

Two properties are on the HeatSmart program and it is not clear whether the shift to heat pumps would continue such service

When the heat pumps are installed at two properties, Forest View Apartments and North and Gilsum Apartments, those properties will no longer be on the HeatSmart program. Before considering the heat pump conversion projects at Forest View and North and Gilsum KH conducted a pilot conversion at its smaller West Street property (4 units). The purpose of the pilot conversion was to track the effect such a conversion, including coming off the HeatSmart program, would have on annual electricity costs. The pilot conversion revealed the following:

1. Almost 30% energy savings was achieved

2. The HeatSmart meters were removed from the property as a separately metered and controlled service was no longer required
3. The HeatSmart rate is lower than the default rate per kWh for electricity supply. Therefore, the increase in cost per kWh was included in KH's analysis of projected cost savings.
4. Residents are satisfied with the functioning of the heat pumps
5. There are fewer maintenance calls for service issues related to the heating units

This thorough analysis was completed prior to pursuing the heat pump retrofit at other properties. If the waiver is approved, KH will pursue consolidation of the meters as part of the work completed during the retrofit when the HeatSmart meters are removed. Prior to this work, KH will complete an analysis of the costs associated with going to a G or GV rate and associated demand charges in addition to the change in rate associated with no longer being on Eversource's HeatSmart rate. While this is a legitimate question asked by Eversource, it is not a sound argument against the waiver request.

Consideration of the costs associated with the engineering and electrical work needed to convert the facilities to a master or primary meter set up, which Keene Housing would be required to pay

KH spends between \$1.5 and \$3 million per year on property improvements, including substantial HVAC and electrical retrofits. KH is very much aware of the amount of engineering, analysis and planning that will be required to convert these facilities to master meters, which is why KH's first step in the process was requesting the waiver. KH will begin the planning process in earnest once the waiver is granted, not before. KH's resources are limited, and it would be irresponsible to expend them unnecessarily on engineering and electrical work without first knowing whether or not the waiver will be granted. The waiver is the first step, with associated studies and analyses to follow. Similar to other arguments made by Eversource, this is a decision for Keene Housing to consider and not a valid argument against approval of the waiver.

Eversource provides KH other opportunities for reducing costs and monitoring usage

In its statement of position, Eversource shares that it has a system for automatically uploading billing data into ENERGY STAR Portfolio Manager. This is very good news and KH is eager to learn more. Approximately three years ago KH was informed that this project was in development. KH has contacted Eversource each year since to inquire about the status of this project. Unfortunately, Eversource has yet to complete it, and as recently as last week Eversource's customer service team had no knowledge of this system being online or even what Portfolio Manager is. KH remains anxious for Eversource to complete this project, as it will save KH considerable costs associated with uploading its consumption data to ENERGY STAR Portfolio Manager. In any case, the availability of a method to automatically upload data into ENERGY STAR Portfolio Manager has no bearing on whether or not the waiver should or should not be granted.

Finally, KH agrees that Eversource has been an excellent partner in our efforts to increase the efficiency of our multifamily portfolio, and KH appreciates that partnership and thanks Eversource for its commitment to working with KH in the future. It is precisely because of this history of cooperation and partnership that KH is so taken aback and disappointed by Eversource's position vis-à-vis KH's waiver request. If Eversource is, in fact, committed to helping KH reduce future operating costs, then

Eversource should be willing to work with KH to make the meter consolidation process as smooth and cost-effective for KH as it can.

We appreciate your consideration of this response, in addition to our original waiver request. We would be happy to sit down with all parties to discuss this further, if the PUC deems this necessary.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'J. R. Meehan', followed by a long horizontal flourish.

Joshua R. Meehan
Executive Director