

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: May 18, 2018

AT (OFFICE): NHPUC

FROM: Rich Chagnon 
Utility Analyst – Electric Division

SUBJECT: DE 18-061, Twin Pines Housing Trust
Petition to Waive Puc 303.02; Master Metering

TO: Commissioners
Debra Howland, Executive Director

NHPUC 18MAY18PM2:00

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

Summary

On April 12, 2018, Twin Pines Housing Trust (TPH) filed a request for waiver of N.H. Code Admin. Rules Puc 303.02 Master Metering with respect to its new facility to be constructed at 14 Tracy Street in West Lebanon. Staff believes there are particular aspects of the proposed development that justify granting the rule waiver request.

Staff recommends that the Commission grant TPH's request for a waiver of applicable rule Puc 303.02(a) for TPH's proposed Net Zero facility designed with high energy efficiency, to permit master metering as proposed at 14 Tracy Street in West Lebanon, and that such waiver be in effect for so long as the facility is operated as affordable housing for low-income residents as described in the TPH filing. Staff also recommends that the Commission require TPH to supply a report to Staff after construction is completed, listing all energy efficient measures actually installed during construction.

Background

TPH, a nonprofit housing organization, is currently constructing a new facility at 14 Tracy Street in West Lebanon to create 29 one and two bedroom units, restricted to households at 50% and 60% of the applicable Area Median Income level; to enforce these income restrictions, the property will be subject to a Land Use Restriction Agreement, a mechanism by which the income restrictions described above will be in place for 99 years, at a minimum. In 2018, after a competitive application process, the New Hampshire Housing Finance Authority (NHHFA) awarded TPH Low Income Housing Tax Credits (LIHTCs) for the 14 Tracy Street project. Electricity will be included in the rent, which is not an uncommon practice for affordable housing providers.

TPH states that this facility will be built as a Net Zero multi-family residential building and TPH will apply for certification by the “Institute for Living Futures”. TPH states that this would be the first Net Zero multi-family residential building built in New Hampshire. Net Zero certification verifies that a building harnesses all of its energy from the sun, wind, or earth to exceed net annual demand. This newly constructed multi-family residential building will be highly insulated, with air-source heat pumps and solar panels integrated into the building to address all energy needs.

TPH’s request for a waiver of the Puc 303.02 Master Metering rule states the following:

1. A waiver serves the public interest: It is in the public interest to waive the individual meter requirement at 14 Tracy Street. The property is using limited resources to provide energy-efficient, decent, affordable housing to low-income New Hampshire residents.
2. Compliance would be onerous: Compliance would be onerous because it would merely increase costs with no added benefit. The wiring to create separate meters for each of the 29 apartments would cost approximately \$130,000 in upfront costs, and it is estimated that it would cost close to \$5,000 in meter charges per year. This charge will serve no other purpose than to escalate TPH's construction and operations budgets. No benefit will come to the non-profit or its low income tenants. Moreover, it will complicate the property's ability to comply with the Net Zero certification requirements.
3. The purpose of the rule would be satisfied by an alternative method proposed: TPH has already satisfied the rule's purpose by designing a Net Zero building, which includes the design of a highly energy efficient property.

Analysis

As stated above, TPH’s plan is to construct a new facility at 14 Tracy Street in West Lebanon to create 29 one and two bedroom units, restricted to households at 50% and 60% of the applicable Area Median Income level. This facility will be built as the first Net Zero multi-family residential building in New Hampshire. Net Zero certification verifies that a building harnesses all of its energy from the sun, wind, or earth to exceed net annual demand. This newly constructed multi-family residential building will be highly insulated, with air-source heat pumps and solar panels integrated into the building to address all energy needs.

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.

Staff believes that the new facility at 14 Tracy Street in West Lebanon, which is being constructed to provide energy-efficient, affordable housing, to low-income residents has many features that distinguish this facility from a typical multi-dwelling unit building or complex addressed by the Code and PUC rules.

A historical review of the purpose of the Master Metering rule identifies the intent to address the design of energy-efficient building's envelopes and promote the installation of energy efficient mechanical, lighting, and power systems in new construction. Staff believes this intent is covered by TPH with the construction of a Net Zero multi-family residential building that will be highly insulated, with air-source heat pumps and solar panels integrated into the building to address all its energy needs.

Consistent with Puc 201.05, Staff concludes that the waiver would serve the public interest by avoiding onerous costs for the additional wiring of separate meters for each unit; the waiver would not disrupt the orderly and efficient resolution of matters before the commission; and the purpose of the rule (to address and promote the design of energy-efficient buildings) is satisfied by constructing a Net Zero facility designed for high energy efficiency.

Recommendation

Based on this analysis, Staff recommends that the Commission grant the request for a waiver of the Master Metering rule in Puc 303.02(a) for TPH's proposed Net Zero facility, to permit master metering as proposed at 14 Tracy Street in West Lebanon, and

that such waiver be in effect for so long as the facility is operated as affordable housing for low-income residents as described in the TPH filing.

If the facility at 14 Tracy Street is no longer operated as affordable housing to low-income residents at some future time, then the waiver should no longer be in effect and the owner should be required to install individual electric meters for each separate dwelling unit in the facility. TPH should be directed to notify the Commission and Liberty Utilities if 14 Tracy Street is no longer operating as housing to low-income residents.

Staff also recommends that the Commission require TPH to supply a report to Staff after construction is completed, listing all energy efficient measures actually installed during construction. Staff notes that Puc 303.02(b) and Puc 303.02(c) do not apply to TPH's request.

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.

Executive.Director@puc.nh.gov
amanda.noonan@puc.nh.gov
donald.kreis@oca.nh.gov
info@tpitrust.org
leszek.stachow@puc.nh.gov
lynn.fabrizio@puc.nh.gov
ocalitigation@oca.nh.gov
richard.chagnon@puc.nh.gov
tom.frantz@puc.nh.gov

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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.**