

# STATE OF NEW HAMPSHIRE

## Inter-Department Communication

**DATE:** June 25, 2019

**AT (OFFICE):** NHPUC

**FROM:** Kurt Demmer  
Utility Analyst — Electric Division

*RC*

NHPUC 25 JUN 19 PM 4:23

**SUBJECT:** DE 19-053, Twin Pines Housing  
Petition to Waive Puc 303.02; Master Metering Rule

**TO:** Commissioners  
Debra Howland, Executive Director

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

### Summary

On March 21, 2019, Twin Pines Housing Trust d/b/a Twin Pines Housing (TPH), located in White River Junction Vermont, filed a request for waiver of N.H. Code Admin. Rules Puc 303.02 (master metering rule). The property, Summer Park, is an existing three building, 24 residential unit apartment complex located at 42-44 Lebanon Street in Hanover, New Hampshire. TPH is replacing the three separate buildings with a proposed single building, which will have 42 residential units. The waiver request asks permission to use a master electric meter at the proposed new building. The new reconstructed Summer Park will continue to provide affordable housing for elderly residents, and individuals with disabilities, who have low and moderate incomes.

Commission Staff (Staff) recommends that the Commission approve the master metering rule waiver request for the proposed building at Summer Park as specified in the March 21, 2019 filing. Staff also recommends that the waiver remain in effect for so long as the enumerated energy efficient measures are installed and implemented, and so long as the property remains a subsidized public housing development for approximately 42 low and moderate income households.

### Background

Twin Pines Housing is a non-profit organization that develops and manages affordable housing for low and moderate income households in the upper valley region of New Hampshire and Vermont. Summer Park is an existing three building, 24-unit development built in the 1970's, located at 42-44 Lebanon Street in Hanover, New Hampshire. Each of the three buildings is master metered. Summer Park provides

affordable housing to low income seniors and individuals with disabilities who receive HUD Section 8 assistance.

The TPH Summer Park reconstruction will consist of the replacement of the three buildings with one new building in two phases. In Phase 1, planned to begin in summer 2019, a newly constructed building will house the residents of the existing 24 units from the older three buildings. After the residents are relocated to the new building, the three original buildings will be demolished. TPH Summer Park Phase 1 has been awarded Federal Low Income Housing Tax Credits (LIHTC) from the New Hampshire Housing Finance Authority (NHHFA). Phase 2 of the reconstruction, planned to begin in the summer of 2020, will create 18 additional residential units in a new annex, attached to the west side of the Phase 1 building. The original building and the annex will share the elevator, laundry and common spaces.

Twenty-four eligible Summer Park households will receive a Federal HUD Section 8 subsidy and reside in the main building (constructed in Phase 1) They will pay one third of their income as rent and HUD will subsidize the difference between their payment and the market rent. Eighteen eligible Summer Park households will have incomes of between 50 percent and 60 percent of the average median income. Those residents will pay one third of their income as rent through the LIHTC Program. This population will be housed in the annex. Summer Park households will not be charged separately for utilities.

To guarantee affordability over a long-term period, the NHHFA will require TPH to record a Land Use Regulatory Agreement (LURA) at the Grafton County Registry of Deeds for the Phase 1 building. The restriction, which TPS explained is binding for ninety-nine years, will require the units to remain affordable for the life of the project. *See Waiver Request* (March 21, 2019). TPH will also file a LURA, or comparable document, for the eighteen units to be added in Phase 2, to enforce the income restrictions for the same 99-year period. (Phase 2 has received funding from the Federal Home Loan Bank of Boston Affordable Housing program and will be the subject of a LIHTC request to NHHFA unless an applicable HUD funding program becomes available this winter) In addition to both proposed LURAs, the Town of Hanover also requires a perpetual affordability covenant which will run concurrently with the LURAs and will control after the LURAs expire. The Town's affordability restrictions allow for somewhat higher income levels.

The three buildings that will be replaced are energy inefficient due to electric radiant heat, window A/C units and poor building and window insulation. Both Phase 1 and Phase 2 buildings are designed to meet Passive House Institute of the US (PHIUS) standards. TPS reports it has made a significant investment in meeting those standards, in the sophistication of its architectural design, and in many other energy efficiency measures.

A passive building is designed and built in accordance with these five building-science principles:

- Employs continuous insulation throughout its entire envelope without any thermal bridging.
- The building envelope is extremely airtight, preventing infiltration of outside air and loss of conditioned air.
- Employs high-performance windows (double or triple-paned windows depending on climate and building type) and doors - solar gain is managed to exploit the sun's energy for heating purposes in the heating season and to minimize overheating during the cooling season.
- Uses some form of balanced heat- and moisture-recovery ventilation.
- Uses a minimal space conditioning system.

Specifically, the project includes the following list of energy efficiency measures for both buildings:

- High efficiency air source heat pumps with both heating and cooling capabilities.
- Thermal envelopes that will exceed the 2009 International Energy Conservation Code. (Walls: R-49; Foundation Perimeter: R-20 (min); Ceilings: R-65).
- Energy Star LED lighting fixtures and installation of unit appliances with an EnergyStar label.
- Windows will be low-e argon filled glass with a U-value of 0.16 or better and be EnergyStar rated.
- Separately zoned units to ensure the prevention of over-cooling in areas with less heat gains.

This project also includes a photovoltaic generation system which will be installed to offset the air source heat pump heating and cooling load, reduce electric daytime consumption from the grid, and reduce future operating costs. The size of the system is unspecified at this time. Staff believes solar panels will not reduce the use of electricity, and therefore this aspect of the project is not an energy efficiency measure. Staff believes that the photovoltaic generating system will provide green energy and may reduce operating expenses.

### **Liberty Utilities**

Staff has contacted Liberty Utilities regarding the metering configuration proposed in the current waiver request. Liberty Utilities informed Staff that it supports the developer's request for a waiver of the master metering rule.

## 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, Liberty Utilities 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 because utility charges are included in their rents.

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 main building and the annex's envelope energy-efficient; and through the installation of a number of energy efficient mechanical, lighting, and power systems, including a design that meets Passive House Institute of the US (PHIUS) standards. In addition, the objective of the master metering rule to incentivize customer energy conservation through individual metering is diminished in this case because tenants do not pay their own utility bills.

Liberty Utilities has been notified of the proposed meter configuration, and has confirmed that it does not object to the pending waiver request.

Staff notes that, as in most waiver requests previously granted by the Commission, the primary savings achieved are due to avoiding construction costs associated with installing or retrofitting individual meters, the construction includes energy efficiencies, and tenants do not pay their own utilities, which are included in their rents.

Consistent with Puc 201.05, and prior master meter waiver requests granted, Staff concludes that this 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 heating and power systems, including, but not limited to, high efficiency air source heat pumps, energy efficient windows and appliances, and tight thermal envelopes as required by the Passive House Institute of the US (PHIUS) standards building certification. Allowing TPH to avoid costs associated with the purchase and installation of 42 electric meters would not disrupt the orderly and efficient resolution of matters before the Commission.

### **Staff 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 the proposed Summer Park building and annex as requested in the March 21, 2019 filing. In particular, one master meter shall be used for the newly constructed Phase 1 building and the attached annex (Phase 2), and no part of the buildings, including the shared common area, shall be used for commercial purposes. This waiver should be effective for so long as the enumerated energy efficiency measures are installed and implemented, and for as long as the Summer Park building and annex at what is currently 42-44 Lebanon Street in Hanover, New Hampshire, remains subsidized public housing for approximately 42 low and moderate income households. If the Summer Park facility is no longer operated as described at some future time, then the waiver should no longer be effective and TPH should be required to install the electrical infrastructure necessary to meter individual units, and to promptly notify the Commission and Liberty Utilities of the changes.

Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

info@tphtrust.org

kurt.demmer@puc.nh.gov

Mary.Schwarzer@puc.nh.gov

ocalitigation@oca.nh.gov

tom.frantz@puc.nh.gov