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December 19, 2019

Mr. Kevin Lacasse
Goddard Block Limited Partnership
P.O. Box 823
New Hampton, NH 03256

Re: DE 19-121, Goddard Block Limited Partnership
Request for Waiver of Puc 303.02

Dear Mr. Lacasse:

On July 17, 2019, you filed on behalf of Goddard Block Limited Partnership (GBLP), a request for a waiver of N.H. Admin. R., Puc 303.02, the master metering rule, in connection with extensive renovations to a former mixed use commercial building located at 54-64 Pleasant Street in downtown Claremont, New Hampshire (the Goddard Block building or the building). A developer, New England Family Housing, owns the building.

GBLP is redeveloping the building, leaving the outer shell of the structure and installing all new interior infrastructure, including the replacement of all electrical, mechanical, plumbing, and roofing elements. The proposed new construction will create 36 residential units and other commercial space. Twenty-seven of those residential units will be affordable housing for low-income residents, with incomes that range from 20 percent of the area's average median income (AMI) to 80 percent of AMI. Nine units will be made available to residents at market rate. As apartments are vacated, any existing resident(s) may occupy any vacant apartment, regardless of which of the designated AMI levels the resident(s) represents, so long as the overall AMI populations remain in compliance with described targets. The rent for all units will include all utility costs.

Commission Staff (Staff) issued data requests to GBLP on August 28, 2019, and reviewed GBLP's responses, which were filed on October 2, 2019. Staff filed a memorandum on November 14, 2019, in which it recommended that the Commission grant the waiver, subject to certain conditions. Staff noted that the building has been without residential tenants since 2017, and that the City of Claremont, the New Hampshire Housing Finance Authority (NHHFA), and the New Hampshire Division of Historical Resources support this renovation project. GBLP's petition asserted that this project will help to address a shortage of affordable low-income housing in Sullivan County.

GBLP stated that it has been awarded Federal Low Income Housing Tax Credits from the NHHFA with additional funding from the Historic Tax Credit Program, the Community Development Block Grant Program, and New Hampshire HOME funds. NHHFA and the Community Development Finance Authority will require GBLP to record a Land Use Restriction Agreement that will remain in effect for 99 years to guarantee affordability over a long-term period. GBLP seeks permission to master meter all of the residential units in the building. The commercial units will be separately metered; they will not be master metered and are not part of GBLP's waiver request.

Staff's recommendation gave weight to the scope of GBLP's reconstruction (*i.e.*, this project will remove the interior of the building down to the studs and replace all electrical, mechanical, plumbing and roofing elements). Staff noted that GBLP's new infrastructure will meet both the National Green Building Standard Gold Standard, and EnergyStar 3.1 certification. GBLP's renovations will minimize operating and energy costs. Energy efficiency measures will include: high efficiency condensing boilers for apartments with an efficiency of at least 94 percent; common area space heating and cooling by high efficiency condensing furnaces with an efficiency of at least 93 percent; thermal envelopes that will exceed the 2009 International Energy Conservation Code (IECC) (Walls R-21 blown-in insulation plus R-9 exterior insulation; Foundation Perimeter: R-15; Ceilings R-49 continuous at roof); the installation of EnergyStar LED lighting fixtures and unit appliances with an EnergyStar label; the use of windows that are all low-e argon filled glass with a U-value of 0.27 or better, and EnergyStar rated; separate zoning of apartments to ensure the prevention of over-cooling in areas with fewer heat gains; the installation of water conserving fixtures in all bathroom, lavatory and kitchen locations for load reduction of gas-fired hot water heaters; and the installation of gas-fired hot water heaters that have a thermal efficiency of up to 98 percent.

Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) informed Staff that it takes no position on the waiver request.

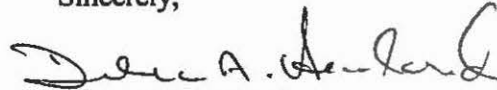
In view of the acknowledged purpose of the master metering rule to incentivize energy conservation and efficiency, Staff concluded that the rule's purpose would be met through the alternative method of making the building energy-efficient through the installation of the energy efficient mechanical, lighting, and power systems identified above. According to Staff, that result would serve the public interest and would not disrupt the orderly and efficient resolution of matters before the Commission, consistent with N.H. Admin. R., Puc 201.05. Staff therefore recommended that the Commission grant GBLP's request for a waiver of Puc 303.02 to permit master metering for residential units in the Goddard Block building, subject to these conditions: all the energy efficiency measures described must be installed, the waiver shall only be in effect while at least 27 of the 36 residential units are operated for low and moderate income residents, and the program remains a Qualified Low Income Housing Project.

The Commission has reviewed GBLP's rule waiver request and Staff's memorandum, and has accepted and approved Staff's recommendation. The Commission finds that, given the circumstances described by GBLP and in the Staff memorandum, the requested waiver would serve the public interest and would not disrupt the orderly and efficient resolution of matters before the Commission, as required by Puc 201.05.

Accordingly, GBLP is granted a waiver of Puc 303.02, and installation of the master meter configuration for residential units, as described, is permitted. The waiver shall be in effect as long as there is compliance with the following conditions: (1) enumerated energy efficiency measures are installed and implemented; (2) the identified standards and certifications are met; (3) the Goddard Block building remains subsidized housing for at least 27 low and moderate income households, as described in GBLP's petition; and (4) the project remains a Qualified Low Income Housing Project. If, at some future time, the Goddard Block building does not meet the foregoing conditions, then the waiver will no longer be effective. In that instance, GBLP shall be required to install individual electric meters for each residence within the building, and shall promptly notify the Commission and Eversource of the changes.

Please be advised that this rule waiver only extends to the Commission rule, and not to any independent requirements of the state building code, or to any other federal, state, or local requirement.

Sincerely,

A handwritten signature in dark ink, appearing to read "Debra A. Howland", is written over the typed name.

Debra A. Howland
Executive Director

cc: Service List (Electronically)
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