



Your Affordable Housing Partner

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April 10, 2018

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

RE: Waiver Request for Twin Pines Housing Trust for a Master Meter at 14 Tracy Street, West Lebanon, NH

Dear Ms. Howland:

Please accept this petition on behalf of Twin Pines Housing Trust d/b/a Twin Pines Housing (TPH) to request a waiver of PUC Rule 303.02(a) in order to install a single master meter in a Net Zero multi-family residential building to be constructed to serve low income households at 14 Tracy Street, West Lebanon NH.

TPH is a non-profit developer and manager of affordable housing in the Upper Valley Region of New Hampshire. With a mission to create perpetually affordable housing in the Upper Valley, TPH has a portfolio of 417 rental units in New Hampshire and Vermont, the vast majority of which are restricted to households earning at or below 60% of the Area Median Income for Grafton County NH and Windsor County VT. For example, a family of four in Grafton County with an annual household income of \$43,800 would be at the 60% level.

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. 14 Tracy Street will have twenty-nine 1-and 2-bedroom units, restricted to households at 50% and 60% of Area Median Income; 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. Accordingly, all of the units are for low-income households and will remain so for the life of the project. First year rents are projected to range from \$670-\$805 for a 1-bedroom and \$805-\$965 for a 2-bedroom, with tightly controlled annual rent increases. Electricity will be included in the rent, which is not an uncommon practice for affordable housing providers.

In addition to creating new low-income housing units, 14 Tracy Street is designed to be New Hampshire's **first Net Zero multi-family residential building** and will apply for certification by the Institute for Living Futures. Net Zero certification verifies that a building harnesses all energy from the sun, wind or earth to exceed net annual demand. It will be highly insulated, with air-source heat pumps



and solar panels integrated into the building to address all energy needs. Construction is expected to begin in early summer 2018.

Rules and Prior Decisions:

Puc 303.02 provides in pertinent part that: “(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; [and] (b) A utility shall only install master metering in commercial buildings and as consistent with the International Energy Conservation Code 2009 as adopted pursuant to RSA 155-A:1, IV...[.]”

It has been noted that the purpose of Puc 303.02 is to encourage energy efficiency. See DE-14-125, *Pondview Conway, LLC and Ossipee Affordable Housing LP Joint Request to Waive Puc 303.02*, July 16, 2014 p. 2.

Puc 201.05 sets out the standards governing waivers of the rules. The Commission may waive any rule if it finds a waiver serves the public interest and does not disrupt the orderly and efficient resolution of matters before the Commission. The Commission must consider whether compliance with the rule would be onerous given the circumstances or whether the purpose of the rule is satisfied by the petitioner’s proposal. See *id.*

Waivers of the rule have been granted over the years. For example in DE-14-125 (cited above), a waiver was granted to low-income elderly multi-family properties where energy efficiency measures had been implemented. It was noted that increased costs from additional meters served only to increase electricity bills, which in turn reduced property managers’ budgets for tenant services.

Similarly, in DE-10-067, *Public Service Company of New Hampshire et al. Use of Electric Master Meters in Multi-Tenant Residential Building Joint Request for Waiver of Puc Rule 303.02* (October 26, 2010), a waiver was granted to a 40-unit building serving low-income elderly residents where electricity was included in rent, thereby breaking the link between consumption and users so that installation of meters would do nothing more than add costs to construction of facility for no real benefit. In addition, a number of energy efficiency measures had already been installed to serve the same purpose as the prohibition against master metering.

Waiving Puc 303.02 for 14 Tracy Street serves the public interest; compliance would be onerous and the the rule’s purpose is already satisfied.

As was the case in the decisions listed above, 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; compliance would be onerous because it would merely increase costs with no added benefit; and TPH has already satisfied the rule’s purpose by designing a Net Zero building.

TPH has been advised that in order to qualify for Net Zero certification, it should be responsible for paying for all of the electricity serving the building. It needs to monitor and report all electric usage to determine if it meets Net Zero standards. As stated above, THP will be responsible for electric costs, as electricity is included in the rent. To require each unit to be metered does not serve a compelling public purpose and burdens the project with unnecessary additional costs; both up-front and on-going.

As you may be aware, the upfront cost to build a Net Zero building is considerable. The sophistication of architectural design, the quantity of insulation, the selection of high R-value windows, the installation of solar panels and the design of a state-of the art heating system represent a significant investment in resources and reflect TPH and NHHFA's commitment to improving energy efficiency. Moreover, in order to best allocate scarce state and federal resources, NHHFA imposes a per unit cost cap on tax credit projects. 14 Tracy Street is very close to that cap, adding wiring for individual meters would likely push it over the limit.

Compliance with the rule would be quite onerous for TPH. 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.

The rule's purpose is already satisfied in that, as mentioned above, TPH has designed a highly energy efficient property and will generate enough solar power to offset its energy uses.

Please accept this request to waive Puc 303.02 for 14 Tracy Street in order to support affordable housing and promote energy efficient design within the affordable housing community. We would appreciate a decision as soon as possible, as we are slated to begin construction this summer.

Sincerely,



Andrew B. Winter
Executive Director