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PHUC 21MAR'19 11:55

March 18, 2019

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

RE: Waiver Request for Twin Pines Housing Trust for a Master Meter at Summer Park, 42-44  
 Lebanon Street<sup>1</sup>, Hanover, 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 a Passive House multi-family residential building that will serve low-income seniors and people with disabilities at 42-44 Lebanon Street, Hanover. The Commission has granted TPH similar waivers for two other projects, 10 Parkhurst Street in Lebanon (DE 18-020), and 16 Tracy Street in West Lebanon (DE 18-061).

TPH is a non-profit developer and manager of affordable housing in the Upper Valley Region of Vermont and New Hampshire. With a mission to create perpetually affordable housing in the Upper Valley, TPH has a portfolio of 417 rental units in the two states, the vast majority of which are restricted to households earning at or below 60% of the Area Median Income (AMI) for Grafton County NH and Windsor County VT.

TPH is in the planning stages to re-develop Summer Park, a 3-building project with 24 units built in the 1970s. Summer Park serves low-income seniors and individuals with disabilities, and receives HUD Section 8 project-based vouchers.

Summer Park's redevelopment will take place in two phases to construct a single building. In Phase One (SP1), the existing 24 units will be replaced by a new multi-story building which is designed to meet Passive House standards. A Land Use Regulatory Agreement (LURA) will be filed with the Grafton County Registry of Deeds for SP1 to ensure compliance with the affordability requirements for the life of the project. After current residents are moved from their current apartments into the new building, the three existing buildings will be demolished.

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<sup>1</sup> The current parcels are 42 and 44 Lebanon Street; E-911 currently anticipates that the address of the re-developed project will be 4 Summer Street.

In Summer Park Phase Two (SP2), eighteen new one-bedroom units will be added onto the west side of SP1. The two phases will be attached and will share the elevator, laundry and common spaces. Income restrictions will target incomes of 50 and 60% AMI. As with Phase 1, a Land Use Regulatory Agreement or comparable document will be filed for SP2 to enforce the income restrictions for the life of the project.

In 2018, New Hampshire Housing Finance Authority (NHHFA) awarded SP1 Low Income Housing Tax Credits (LIHTCs) in a competitive application process to fund its development. Design Development is underway and we anticipate commencing construction in early summer of this year. SP2 has received funding from Federal Home Loan Bank of Boston Affordable Housing Program and will be the subject of a LIHTC request to NHHFA this summer, unless an applicable HUD funding program becomes available this winter. Construction of SP2 is slated for Summer 2020.

Rent currently includes electricity; that arrangement would continue in the new building for both the 24 replacement units and the 18 new units. The current apartments are extremely inefficient; they have electric heat, and are poorly insulated. As SP1 and SP2 will be designed to the Passive House standards of the Passive House Institute U.S., the resulting single building will be highly insulated and will have air-source heat pumps. Energy efficient appliances and lighting will be installed as well. The roof will have solar panels; the exact number has yet to be determined.

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...[.]"

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 DE-14-125, Pondview Conway, LLC and Ossipee Affordable Housing LP Joint Request to Waive Puc 303.02, July 16, 2014 p. 2.*

The purpose of Puc 303.02 is to promote energy-efficient building design and the installation of energy-efficient mechanical, lighting, and power systems in new construction. DE 18-061 p.2. Waiving Puc 303.02 for Summer Park serves the public interest as compliance would be onerous and the rule's purpose is already satisfied.

As was the case in TPH's prior requests, compliance would be onerous because it would merely increase costs with no added benefit. The wiring to create separate meters for each of the 24 apartments would impose significant upfront costs and impose costly individual meter charges each year. These costs would burden TPH's construction and operations budgets with no benefit to the non-profit or its low-income residents.

TPH has already satisfied the rule's purpose of promoting energy efficient design by developing a building to Passive House standards. Passive House design standards are expensive to comply with during the construction period. The sophistication of architectural design, the quantity of insulation, the selection of high R-value windows, 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. Summer Park is very close to that cap as it has chosen to invest in efficiency measures; adding wiring for individual meters would likely push it over the limit.

Please accept this request to waive Puc 303.02 for Summer Park in order to support affordable housing and promote energy efficient design within the affordable housing community. We are satisfied with the condition the PUC has placed on TPH's prior petitions, namely that the waiver is effective for as long as the facility is operated as multi-family housing for low-income residents and that if it is no longer operated in this manner at some future time, then the waiver will no longer be effective and the building owner will be required to install individual electric meters for each separate dwelling unit in the building. We would appreciate a decision as soon as possible, as we are slated to begin construction this summer.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew B. Winter". The signature is fluid and cursive, with the first name "Andrew" being the most prominent.

Andrew B. Winter  
Executive Director