


STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: June 11, 2019

AT (OFFICE): NHPUC

FROM: Kurt Demmer 
Utility Analyst — Electric Division

NHPUC 11JUN19PM3:50

SUBJECT: DE 19-063, Sanborn Crossing Apartments Limited Partnership
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
Mary Schwarzer, Staff Attorney

Summary

On March 27, 2019, Sanborn Crossing Apartments Limited Partnership (SLA LP), located in Atkinson New Hampshire, filed a request for waiver of N.H. Code Admin. Rules Puc 303.02 (master metering rule) by and through Sanborn Crossing, LLC's General Partner, Steven W. Lewis. The property, Sanborn Crossing Apartments, is comprised of two buildings located at 30 Sanborn Road in Londonderry. The waiver request asks permission to use a master electric meter at each building. Sanborn Crossing Apartments is expected to serve a total of 102 residential households. It will be a senior housing community for elderly residents with low and moderate incomes.

Commission Staff (Staff) recommends that the Commission approve the master metering rule waiver request for both of the buildings at Sanborn Crossing Apartments as specified in the March 27, 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 102 low and moderate income households.

Background

Sanborn Crossing Apartments project is a newly formed public/private partnership project. Partners include the Town of Londonderry, the New Hampshire Housing Finance Authority, and Sanborn Crossing Apartments Limited Partnership. This project is developing municipally donated town land (a cleaned-up Brownfield site) to provide 102 age-restricted residential units to provide affordable housing for low and moderate income households in Londonderry.

Sanborn Crossing Apartments

SCA LP is using the Federal Low Income Housing Tax Credit (LIHTC) and New Hampshire HOME funds to provide below market rent for income qualified elderly households. Twenty percent (20%) of the units will be designated for households whose income is 50% (or less) of the median income level, and 80% of the units will be designated for households whose income is 60% (or less) of the median income level. To guarantee affordability over a long-term period, the New Hampshire Housing Finance Authority has required SCA LP to record a land use restriction at the Rockingham County Registry of Deeds. The restriction requires “the units to remain affordable for a period of at least thirty years.” *See Waiver Request* (March 27, 2019).

This project is a new construction project. In addition to proposed master meters for electricity, SCA LP reports that master meters will also be used for gas (Liberty Utilities) and water utilities (Manchester Water Works). SCA LP reports that all of the utility costs, including heat, hot water, and electricity, will be included in unit rents and not separately charged to tenants.

The project is designed to receive National Green Building Standard (NGBS) Gold Certification. This certification indicates that the buildings will achieve high performance efficiency in six areas: site design, energy efficiency, resource efficiency, water efficiency, indoor environmental quality, and building operation and maintenance.

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

- High efficiency gas heating units for both buildings driving down overall heating requirements and usage. All individual unit space, and common space, heating and cooling to be provided by high efficiency condensing furnaces with a 93% or higher efficiency rating.
- The buildings will achieve a Home Energy Rating System (HERS) index between 50 and 55, meaning the buildings are 45% to 50% more energy efficient than the federal Department of Energy’s model modern home. This will entitle the project to receive an EnergyStar Homes 3.1 Certification.
- Both buildings’ thermal envelope will exceed the 2009 International Energy Conservation Code. (Walls: R-21; Foundation Perimeter: R-15 ; Ceilings: R-49)
- Energy Star LED lighting fixtures will be specified; the kitchens will be equipped with EnergyStar labeled fans, and unit appliances with an EnergyStar label will be installed.
- Any windows will be low-e argon filled glass with a U-value of 0.27 or better and be EnergyStar rated.
- Water conserving fixtures are specified throughout both buildings with 98% efficient gas fired water heaters.

This project also includes a 60 KW photovoltaic generation system to be installed in partnership with Revision Energy to offset daytime loading, reduce electric daytime

consumption from the grid, and reduce future operating costs. 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.

Eversource

SCA LP notes that it has worked with Eversource Energy to design a system that will keep costs affordable and promote energy efficiencies. SCA LP also states that Eversource is "aware [of] and supports this request for master metering of our two buildings." Staff has contacted Eversource regarding the metering configuration proposed in the waiver request, and Eversource informed Staff that it takes no position on the waiver.

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.

(c) A request for a waiver shall specify the basis for the waiver and proposed alternative, if any.

In the absence of the requested waiver, Eversource 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 building's envelope energy-efficient and through the installation of a number of energy efficient mechanical, lighting, and power systems. 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.

Eversource 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 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, energy efficient windows and appliances such as kitchen fans, energy efficient building certifications (e.g., NGBS Gold Certification), and an HERS Score between 50 and 55. Allowing SCA LP to avoid costs associated with the purchase and installation of 100 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 Sanborn Crossing Apartments buildings as requested in the March 29, 2019 filing. In particular, one master meter should be used at each building, and no part of the building, including common areas, should be used for commercial purposes. The waiver should be effective for so long as the enumerated energy efficiency measures are installed and implemented, and for as long as both buildings at 30 Sanborn Road in Londonderry remains subsidized public housing for low and moderate income households. If Sanborn Crossing Apartments is no longer operated as described at some future time, then the waiver should no longer be effective and SCA LP should be required to install the electrical infrastructure necessary to meter individual units and to promptly notify the Commission and Eversource of the changes.

Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

kurt.demmer@puc.nh.gov

leszek.stachow@puc.nh.gov

Mary.Schwarzer@puc.nh.gov

ocalitigation@oca.nh.gov

stevenlewis95@comcast.net

tom.frantz@puc.nh.gov