

**STATE OF NEW HAMPSHIRE****Inter-Department Communication****DATE:** March 5, 2020**AT (OFFICE):** NHPUC

**FROM:** Stephen R. Eckberg, Utility Analyst, Electric Division 

**SUBJECT:** Docket No. DE 20-009  
Concord Coalition to End Homelessness Petition to Waive Puc 303.02; Master Metering

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

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

**Summary**

On January 22, 2020, the Concord Coalition to End Homelessness (CCEH) filed a request for waiver of N.H. Code Admin. Rules Puc 303.02 (master metering rule), related to its impending purchase and renovation of a building on Green Street in Concord to create four one-bedroom apartments for people who are homeless. CCEH is seeking permission to maintain the existing single meter, instead of rewiring and installing four individual residential meters. Staff recommends that the CCEH's waiver request be granted for the reasons explained below.

**Background**

CCEH, a non-profit organization, is planning to purchase and renovate a building located at 10 Green Street in Concord to create four one-bedroom apartments for people who are homeless. The building was once a single family residence; most recently it was an office building owned by the County of Merrimack. Green Street Residences, a non-profit affiliate entity of CCEH, will own the property.

CCEH states that purchase and renovation of the building is being financed by the New Hampshire Housing Finance Authority (NHHFA) using Federal Housing Trust Fund monies made available through NHHFA's Special Needs program, and with matching funds from CCEH generated through donations. The four apartments will be reserved for extremely low income households whose incomes do not exceed thirty percent (30%) of Area Median Income (AMI) for Merrimack County. For example, currently the AMI is \$19,500 for a single person in Merrimack County; thirty percent of that amount is \$5,850. The U.S. Department of Housing and Urban Development (HUD)'s maximum rent limits will also apply to these apartments.

To ensure housing affordability over the long term, NHHFA will also require, as a condition of the financing provided, that CCEH record a Land Use Regulatory Agreement (LURA) with the Merrimack County Registry of Deeds for the property. The LURA ensures compliance with the rent and income restrictions for the housing units for a period of 40 years. In addition, through

project-based Section 8 rental vouchers, tenants will pay 30% of their income towards total rent, which includes the contract rent, heat, hot water and electricity. In the example above, a tenant earning \$5,850 per year would pay no more than \$1,755 annually for rent and utilities. Green Street Residences will pay the actual utility bills for the building. Tenants will not see or pay their own utility bills.

CCEH states the cost of rewiring necessary to install individual electric meters for each unit is approximately \$50,000 and cost prohibitive, given that the entire project budget is \$540,000. The entire building would have to be rewired if individual meters are required, which would mean cutting into plaster lathe walls creating additional renovation work. CCEH states that requiring it to install individual meters will threaten the financial feasibility of the entire project.

CCEH states further that it must have the PUC waiver in place before it can close on the necessary financing with NHHFA, which is currently scheduled to take place in mid-March. CCEH states that it needs to close on the financing and begin renovations in late winter/early spring, when subcontractors are available to fit this relatively small project into their schedules.

### **Unitil**

Staff has contacted Unitil regarding the metering configuration proposed in the current waiver request. Unitil informed Staff that it takes no position on the project developer's request for a waiver of the master metering rule.

### **Analysis**

The Master Metering Rule, N.H. Admin. Rules 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, N.H. Admin. 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, each of the four residential apartments would have to be individually metered.

The purpose of the master metering rule is to incentivize energy conservation and efficiency. In this instance, tenants will not be directly responsible for their own utility bills, so individual electric meters will not incentivize conservation or efficiency. However, cost savings attributed to avoided construction costs associated with the installation of individual meters will support the energy efficiency upgrades. The project plan has a number of energy efficient improvements, including: double glazed insulated vinyl replacement windows (Energy Star rated); attic insulation to a minimum of R60 (exceeds 2015 Energy Code requirements); high efficiency natural gas boiler with AFUE rating of 96%; individual thermostat control for tenants; LED lighting fixtures both interior and exterior; EnergyStar appliances; low flow water devices; and energy recovery ventilation units.

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 Puc 303.02 through an alternative method, i.e. the installation of a number of energy efficient mechanical, lighting, and heating systems. Allowing CCEH to avoid costs associated with the wiring and installation of separate electric meters in the project, and having one master meter, 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, Puc 303.02, for CCEH's proposed project at 10 Green Street in Concord. If, in the future, the CCEH and/or Green Street Residences no longer operates the property as described above, or if CCEH and/or Green Street Residences do not make the energy efficiency updates identified in their request, then Staff recommends that waiver should no longer be effective and CCEH, and/or Green Street Residences should be required to install the electrical infrastructure necessary to meter individual units, and to promptly notify the Commission and Unitil of those changes.

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