

# STATE OF NEW HAMPSHIRE

## Inter-Department Communication

**DATE:** March 30, 2021

**AT (OFFICE):** NHPUC

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

**SUBJECT:** DE 20-188, Keene Housing  
Petition to Waive Puc 303.02; Master Metering for  
Bennett Block Property

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

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

### Summary

On December 2, 2020, Keene Housing (KH), a public housing agency in Keene, New Hampshire, filed a request for waiver of New Hampshire Code of Administration Rules, Puc 303.02 (master metering rule) with respect to KH's Bennett Block property, a single building, located at 32-34 Washington Street in Keene. The Bennett Block, a three-story building, currently houses 14 affordable housing units on the upper two floors with street level retail and community/multipurpose space on the first floor. Monadnock Affordable Housing Corp. (MAHC), an affiliate of KH, owns the building and real property. On March 1, 2021, MAHC's Board of Directors Authorized KH to seek a waiver on its behalf, and on March 30, 2021, KH reiterated its request for waiver on behalf of KH and MACH, consistent with KH's initial filing and other information KH had already provided. *See* Supplemental filing (March 30, 2021).

Staff recommends that the Commission approve the master metering rule waiver request for KH's Bennett Block property to master meter the electric service to the 14 residential units on the upper two floors, along with the common areas, the basement, and the elevator providing service to the residential units. The waiver does not include the two separate non-residential spaces (salon and community/multipurpose space) on the ground floor that will remain separately metered. Staff also recommends that the waiver be in effect for so long as the enumerated energy efficiency measures are installed and implemented, and so long as the property remains subsidized public housing for low and moderate income households.

## **Background**

KH is a public housing agency in Keene which provides affordable housing for low and moderate income households in the Monadnock region. MAHC, an affiliate of KH, owns the building and real property. Every residential unit at Bennett Block is subsidized through the U.S. Department of Housing and Urban Development (HUD) Project Based Voucher System, ensuring that the property is reserved for low-income Keene residents. KH operates the Bennett Block as Section 8 project based housing where residents pay 30 percent of their income (adjusted for medical costs, etc.) each month. The federal Department of Housing and Urban Development (HUD) makes up the difference between the residents' rent share and each unit's contract rent. KH currently pays residents' utilities. Tenants are not billed for their usage and never see a utility bill.

KH has a commitment to reducing its carbon footprint and wishes to reduce its utility operating expenses through installation of energy efficiency measures in order to further its goals of providing affordable housing while meeting energy conservation targets and modernizing the building. KH states that, in addition to the environmental benefits, reducing its energy and water consumption will free up much needed funds for programming, as well as for developing new affordable housing units and maintaining its existing management portfolio. KH has stated that approximately \$30,000 in construction costs can be avoided by meter consolidation which will also serve to assist KH meet its goals.

In its request, KH explains that it plans to undertake significant and substantial renovations to the Bennett Block property including many energy efficiency improvements. After the renovations are complete in the fall of 2021, KH will continue to pay all of the electric utility charges for the residential tenants.

## **Keene Housing (KH)**

KH has planned an extensive renovation to the Bennett Block and hired a firm to evaluate the property, determine needed repairs and upgrades, and estimate costs to meet KH's building modernization and energy conservation goals<sup>1</sup>. The cost of the renovations and improvements to the facility are estimated at \$1.268 million. KH's upgrades for energy efficiency improvements include:

- Replacement of all windows in residential units with new low-e, double insulated windows (upper 2 floors)
- Replace refrigerators in residential units with new EnergyStar units
- Replacement of all exterior doors with thermally insulated doors
- Rebuilding elevator shaft penthouse at roof to reduce air loss and increase insulation value.
- Add insulation at rooftop in combination with structural reinforcement of existing roof construction.

---

<sup>1</sup> See Attachments to KH's Waiver Request <https://www.puc.nh.gov/Regulatory/Docketbk/2020/20-188.html>

The cost of these energy efficiency improvements is estimated at \$134,000 for the residential and common areas including elevator (i.e. for all but the identified commercial spaces on the first floor).

Additional construction costs will be incurred to facilitate these energy efficiency improvements as well. These include reconstruction of the elevator penthouse on the roof to improve the overall structural integrity and improve weather resistance at the roof level, and increasing the structural integrity of the roof. Additional roof load capacity will be needed in the future with the *potential* addition of high efficiency heat pumps. Though not included in the current renovation project, KH estimates that based on other recent high efficiency heat pump retrofit projects, that a comparable project at the Bennett Block could cost \$150,000 - \$225,000.

As a part of this renovation project, KH plans to replace the electric distribution panels and feeders, which are at the end of their service life. Some equipment even dates to the original building construction in 1910. The electric service and distribution for the Bennett Block building is currently housed in an electrical service room in the adjacent property which is owned by an unrelated party and needs to be relocated into space within the Bennett Block and be consistent with current code requirements. New electrical service feeders also need to be provided to each apartment as the current service is rated at only 70 amps each. In order to more appropriately serve current needs and potential future needs, services will be upgraded to 100 amps to each apartment.

KH has provided additional information to Staff, and has clarified that it wishes to consolidate the current 14 separately metered residential units, and the meters that currently provide common area service (laundry rooms and common space lighting, etc.) on each of the upper two floors, the basement, and the elevator providing service to the residential units. As stated, the electric service and meters for the current commercial tenant (salon) and the community/multipurpose space on the first floor of the Bennett Block building will remain separately metered.

KH stated that if the metering is not consolidated as planned, it will incur additional costs of \$20,000 to \$30,000 due to Code requirements to construct a larger electrical room in the basement to house the relocated meters and updated distribution panels and feeders with required clearances. Provision of electric service to the Bennett Block by use of a master meter for the residential services as described above will result in a reduced amount of electrical equipment. This, in turn, will allow use of an existing storage room on the first floor, instead of the basement, for the master meter and two separate non-residential meters, creating the identified savings in construction costs.

### **Eversource**

Staff contacted Eversource Energy (Eversource) regarding the proposed metering configuration requested in KH's current waiver request and as further clarified in communications with KH to exclude meters serving non-residential spaces. Eversource informed Staff that it does not oppose the proposed configuration or the waiver request.

Staff is aware that Eversource's tariff requires individual metering for each of the fourteen residential apartments, absent waiver.<sup>2</sup>

### **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.
- (e) A request for a waiver shall specify the basis for the waiver and proposed alternative, if any.

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 more energy-efficient with the installation of a number of energy-efficient measures including windows, insulation, air sealing enhancements and EnergyStar appliances. In addition, the objective of the master metering rule, incentivizing customer energy conservation through individual metering, is diluted in this case because residential tenants do not pay their own utility bills.

---

<sup>2</sup> See Eversource Tariff Original Page 15 available at <https://www.puc.nh.gov/Regulatory/Tariffs/Eversource-PSNH-Electric-Tariff.pdf>

Consistent with Puc 201.05, Staff concludes that the 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 building envelope, insulation and appliance improvements in connection with substantial renovations of the building's electrical system.; and Staff believes that the waiver would not disrupt the orderly and efficient resolution of matters before the Commission. Allowing KH to avoid additional costs associated with the construction of a larger electrical room in the basement to house additional meters and equipment will also permit additional funds to be spent on building improvements, including energy efficiencies.

### **Recommendation**

Based on the foregoing analysis, and additional information provided by KH and Eversource, including MAHC's board of director's meeting minutes and the supplemental filing, Staff recommends that the Commission grant the request for a waiver of the Master Metering Rule in Puc 303.02 for KH's Bennett Block property to allow master metering of the 14 residential apartment units on the upper two floors, along with the common areas, the basement, and the elevator providing service to the residential units. The current commercial tenant spaces on the first floor will continue to be separately metered. Finally, Staff recommends that the waiver should be in effect for so long as the enumerated energy efficiency measures (with the exception of the potential heat pumps) are installed and implemented, and so long as the property remains subsidized public housing for low and moderate income households. If the enumerated energy efficiency measures (absent potential heat pumps) are not implemented, or if the property is no longer operated as described at some future time, then the waiver should no longer be effective, and KH and MAHC should be required to install individual electric meters in the Bennett Block building, and promptly notify the Commission and Eversource of the changes.

Executive.Director@puc.nh.gov

amanda.noonan@puc.nh.gov

deandra.perruccio@puc.nh.gov

jmeehan@keenehousing.org

Mary.Schwarzer@puc.nh.gov

ocalitigation@oca.nh.gov

richard.chagnon@puc.nh.gov

Stephen.Eckberg@puc.nh.gov

tom.frantz@puc.nh.gov