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PUBLIC UTILITIES COMMISSION

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January 15, 2019

Mr. Dana Nute
General Manager
Resilient Buildings Group
6 Dixon Ave., Suite 201
Concord, NH 03301

Re: DE 18-173, Laconia Housing Authority
Request for Waiver of Puc 303.02

Dear Mr. Nute:

On November 19, 2018, you filed on behalf of Laconia Housing Authority (LHA), a request for a waiver of N.H. Code Admin. Rules Puc 303.02, the master metering rule, with respect to renovations of LHA's newly acquired Sunrise House property located at 423 South Main Street, Laconia, New Hampshire. The November 19, 2018 filing met technical filing requirements and included a November 1, 2018 letter from LHA requesting the same relief.

LHA is a non-profit subsidized public housing agency in Laconia, New Hampshire. The Sunrise House will provide twelve units of affordable housing for low-income elderly residents in need of support services. It will also provide four units for similarly situated moderate income elderly residents at market rates. LHA seeks permission to use one master meter to combine electric services to the sixteen units and additional common spaces that will comprise Sunrise House.

Commission Staff filed a memorandum on January 2, 2019, in which Staff described and analyzed LHA's request and recommended that the Commission grant the waiver, subject to certain specified conditions. Staff noted that electrical service and other utility charges are included in the residents' rent, and that LHA will pay all utility charges, including heat, cooling, domestic hot water, water, and electricity. Rent is capped at 30% of low-income residents' income and moderate income residents will be charged market rates. In a December 14th filing, Dana Nute, on behalf of LHA, also identified a list of energy efficiency measures to be installed during the property renovation, including: high efficiency gas domestic hot water heater (97% AFUE); high-efficiency LED with dimmable capability for all lighting; all ENERGY STAR appliances; air to air energy recovery units; envelope upgrade with structural insulated panels (SIPS) with windows to achieve a home energy rating system (HERS) index to meet Energy Star Rating; low temperature/high efficiency Mitsubishi Air Source Heat Pumps for heating and cooling (SEER > 19); and low flow water devices (1.28 gpm toilet, 1.5 gpm water faucets). LHA further reported that this retrofit/renovation would exceed the New Hampshire Building Code Energy Requirements (IECC 2009). As part of their rent, Sunrise House residents will also have access to assistance with activities of daily living, including grooming, meals, medication management, transportation and socialization. Medicaid's "Choices for Independence" program, available to those residents who qualify for Medicaid, will cover the

cost of assistance for low-income residents. Moderate income residents will pay additional fees for those assistance services.

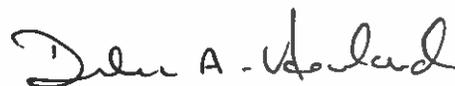
Staff maintained that, under the above circumstances, the standard method of incentivizing customer energy conservation through individual metering has limited value because tenants do not pay their own utility bills. In addition, the energy efficiency improvements will be consistent with the master metering rule's goal of promoting energy conservation and efficiency. Further, the rent will include access to services that are not typically provided in multi-dwelling unit buildings. Staff also noted that the relevant electric utility, Eversource, was contacted regarding the proposed waiver and did not object to the waiver request.

In view of the acknowledged purpose of the master metering rule to incentivize energy conservation and efficiency, Staff concluded that purpose would be met through the alternate method of making the building energy-efficient through the installation of a number of energy-efficient mechanical, lighting, and power systems. According to Staff, that result would serve the public interest and would not disrupt the orderly and efficient resolution of matters before the Commission, consistent with Puc 201.05. Staff therefore recommended that the Commission grant LHA's request for a waiver of Puc 303.02 to permit master metering as proposed at Sunrise House, subject to certain specified conditions, including actual installation of the identified energy efficiency measures, with such waiver to be in effect for so long as the project is operated for low and moderate elderly residents in need of support services, as described.

The Commission has reviewed LHA's rule waiver request and Staff's memorandum, and has accepted and approved Staff's recommendation. The Commission finds that, given the circumstances described by LHA and in the Staff memorandum, the requested waiver would serve the public interest and would not disrupt the orderly and efficient resolution of matters before the Commission, as required under Puc 201.05.

Accordingly, LHA is granted a waiver of Puc 303.02 and installation of the master meter configuration described is permitted. This waiver shall be effective so long as the enumerated energy efficiency measures are installed and implemented, and for as long as 423 South Main Street in Laconia remains subsidized public housing for at least twelve low-income households, with any moderate income households treated as described herein. If LHA's Sunrise House building does not include all enumerated energy efficiency measures, or if it is no longer operated as described at some future time, then the waiver will no longer be effective, and LHA shall be required to install individual electric meters for each residence within the building, and shall promptly notify the Commission and Eversource of the changes. Please be advised that this rule waiver only extends to the Commission rule, and not to any independent requirements of the state building code, or to any other federal, state, or local requirement.

Sincerely,



Debra A. Howland
Executive Director

cc: Service List