

STATE OF NEW HAMPSHIRE

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June 28, 2019

Mr. Andrew B. Winter
Executive Director
Twin Pines Housing Trust d/b/a Twin Pines Housing
226 Holiday Drive, Suite 20
White River Junction, VT 05001

Re: DE 19-053, Twin Pines Housing Trust
Request for Waiver of Puc 303.02 to Master Meter Summer Park Building and Annex

Dear Mr. Winter:

On March 21, 2019, you filed on behalf of Twin Pines Housing Trust d/b/a Twin Pines Housing, a request for a waiver of N.H. Code Admin Rules Puc 303.02, the master metering rule, with respect to new construction to replace three buildings located at 42-44 Lebanon Street in Hanover, New Hampshire.

Twin Pines Housing (TPH), is a non-profit organization that develops and manages affordable housing for low and moderate income households in the upper valley region of New Hampshire and Vermont. Summer Park is an existing three building, 24-unit development that provides affordable housing to elderly and disabled residents with low and moderate incomes. A new building and annex will replace the existing three buildings with 42 residential units. TPH seeks permission to use one master electric meter for the proposed new building and annex, to combine services for residential units and common spaces. Neither the building nor the annex will contain space for commercial use.

Commission Staff (Staff) filed a memorandum on June 25, 2019, in which it described and analyzed TPH's request and recommended that the Commission grant the waiver, subject to certain specified conditions. Staff noted that electric service and other utility charges will be included in all the residents' rent, and that TPH had identified a long list of specific energy efficiency measures to be installed during construction. These energy efficiency measures include: a building envelope that will exceed the 2009 International Energy Conservation (Walls R-49, Foundation Perimeter R-20 (min); Ceilings R-65); high efficiency air source heat pumps with both heating and cooling capabilities; low e-argon filled glass windows, that will have a U-value of 0.16 or better and be EnergyStar rated; EnergyStar lighting fixtures and installation of appliances with an EnergyStar label; separately zoned apartments to ensure the prevention of over-cooling in areas with fewer heat grains.

According to Staff, the new building and annex have been designed to meet Passive House Institute of the United States (PHIUS) standards. In addition, TPH will include a solar photovoltaic generation system to offset daytime loading, reduce electric consumption from the grid, and reduce future operating costs. The size of the system is unspecified at this time.

Staff further described how TPH designed the construction to take place in two phases, and how the phases relate to providing below-market rents for income qualified households. In Phase 1, a newly constructed building will house the residents of the existing 24 units from the older buildings. After the residents are relocated to the new building, the three original buildings will be demolished. TPH Summer Park Phase I has been awarded Federal Low Income Housing Tax Credits (LIHTC) from the New Hampshire Housing Finance Authority (NHHFA). Phase 2 of the reconstruction will create 18 additional residential units in a new annex, attached to the west side of the Phase 1 new main building. The main building and annex will share the elevator, laundry and common space. Twenty-four eligible Summer Park households will receive federal HUD Section 8 subsidies and reside in the main building. Those households will pay one third of their income as rent and HUD will subsidize the difference between their payments and the market rent. Eighteen eligible Summer Park households will have incomes of between 50 percent and 60 percent of the average median income. Those residents will pay one third of their income as rent through the LIHTC Program. This population will be housed in the annex.

To guarantee affordability over a long-term period, the NHHFA will require TPH to record a Land Use Regulatory Agreement (LURA) at the Grafton County Registry of Deeds for the Phase 1 building. The restriction, which TPS explained is binding for ninety-nine years, will require the units to remain affordable for the life of the project. See Waiver Request (March 21, 2019) and Staff memorandum (June 25, 2109). TPH will also file a LURA, or a comparable document, for the eighteen units to be added in Phase 2, to enforce the income restrictions for the same 99-year period. (Phase 2 has received funding from the Federal Home Loan Bank of Boston Affordable Housing program and will be the subject of a LIHTC request to NHHFA unless an applicable HUD funding program becomes available this winter). In addition to both prospective LURAs, the Town of Hanover also requires a perpetual affordability covenant, which will run concurrently with the prospective LURAs and will control after the LURAs expire. The Town's affordability restrictions allow for somewhat higher income levels.

Staff contacted Liberty Utilities regarding the meter configuration proposed in the waiver request, because Summer Park is located in Liberty Utilities' service territory. Liberty Utilities informed Staff that it supports the developer's request for a waiver of the master metering rule.

In view of the acknowledged purpose of the master metering rule to incentivize energy conservation and efficiency, Staff concluded that the rule's purpose would be met through the alternate method of making the buildings energy-efficient through the installation of a number of energy-efficient mechanical, lighting, and power systems, including exceeding the 2009 International Energy Conservation Code requirements, and meeting PHIUS standards. 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 TPH's request for a waiver of Puc 303.02, to permit master metering at TPH's new Summer Park building and annex, subject to certain specified conditions, including actual installation

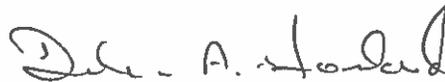
of the identified energy efficiency measures and meeting PHIUS standards, with such waiver to be in effect for so long as the project is operated for low and moderate income residents, as described.

The Commission has reviewed TPH'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 TPH 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 by Puc 201.05.

Accordingly, TPH is granted a waiver of Puc 303.02 and installation of the master meter configuration as described and permitted. This waiver shall be effective so long as the specified energy-efficient measures are installed and implemented, certifications achieved, and for as long as the building and annex, to be located at what is presently 42-44 Lebanon Street in Hanover, New Hampshire, remain subsidized housing for 42 low and moderate income households. If TPH does not include all enumerated energy efficiency measures and certifications, or if it the building and annex are no longer operated as described at some future time, then the waiver will no longer be effective. In that event, TPH shall be required to install individual electric meters for each residence within the building and annex, and to promptly notify the Commission and Liberty Utilities 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,

A handwritten signature in black ink, appearing to read "Debra A. Howland". The signature is written in a cursive style with a large initial "D".

Debra A. Howland
Executive Director

Cc: Service List

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