

Residents of Island House Association
PO Box 178
New York, NY 10044
riha@islandhouseresidents.org
www.islandhouseresidents.org
Ph: 646-775-7025

May 3, 2015

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350

Honorable Ms. Burgess:

Re: Comments on Island House Tenants Association (IHTA) draft statement as of 4/29/15 regarding PSC case number: 15-E-0077 - Notice of Intent to Submeter Electricity at the Island House Apartments at 551, 555, 575 Main Street, New York, New York 10044, Located in the Territory of Consolidated Edison Company of New York, Inc.

The Residents of Island House Association (RIHA) has filed a motion on April 30 2015 to request the dismissal of the Notice of Intent to Submeter Electricity filed on February 3, 2015 by the owner of IH, David Hirschhorn, on behalf of his companies: Island House Preservation Partners and Island House Tenants Corporation (of which he is the owner/president).

Our request for dismissal is based on the following:

The submeterer's application incorrectly side-steps PSC regulations in that an "Intent to Submeter" filing may only be used when payment for electric heat IS NOT the responsibility of the residents, or when the heat is not electrically-based. However, at Island House, the heat is electrically-based and it will be the resident's responsibility to pay for heat. When heat is electrically-based or it will be the tenant's responsibility to pay for electric heat, the PSC requires the filing of a "Petition to Submeter."

The submeter's application is controversial and therefore should be dismissed because informed consent was never obtained from the tenancy on the sequence of events leading to sub metering. For years the tenants were told that the needed energy-efficiency upgrades would be performed prior to the implementation of sub metering. It was only with the actual filing of the owner's "Notice of Intent to Submeter" that the tenancy learned the owner had other plans and that the sequence of events they were lead to believe would not be the case, in that the upgrades first, submetering after sequence of events they had been repeatedly told would be case, would now be reversed. Given that written informed consent of the tenancy and cooperators to agree to submetered billing of electricity including electric heat prior to the implementation of the needed energy-efficiency upgrades was never obtained, the submeterer's application should be dismissed.

The submeterer's application fails to disclose the fact that the building is energy-inefficient and that extensive upgrades are needed in order to make the building energy-efficient. Although several engineering reports found serious problems with respect to energy efficiency at IH, and indicated that an energy audit is necessary, a comprehensive energy audit has yet to be performed. Among the energy-efficiency upgrades recommended by engineers is the replacement of the building's 40 year old windows, which play a significant role in the building's excessive energy consumption. However, as of April 22, 2015, as reported at an Island House Tenants Association (IHTA) Engineering Committee meeting called by IHTA Secretary Frank Farance, the window replacement project remains tentative, with no scheduled time-line set for the project.

The submeterer's application fails to disclose that the building is heated by 40 year-old electric baseboard heating units that have regulator knobs only (no thermostats). Furthermore, the submeterer's application fails to mention the inefficiency of the present heating system: The heaters inadequately heat the apartments and the tenants are unable to control their energy consumption because the heating units lack programmable thermostats as required by the PSC for electric heating. In addition, the submeterer's application fails to specify what equipment is to be used in submetering.

The submeterer's application fails to indicate whether submetered electric service including electric heat will be affordable for the moderate-income residents of Island House. Unfortunately, because of the severe energy inefficiencies of the building, including the fact that heat is provided by means of 40 year-old electric baseboard heating units that lack thermostats while the insulation in the building has crumbled to dust, no interior or exterior air sealing work has been proposed and many of the appliances in the building are more than 10 years old and are not energy-star rated, the resulting high cost of electric heat will in effect render the apartments unaffordable for the majority of the tenants who, according to Mitchell Lama guidelines, are moderate-income.

Sub metering of electricity, including electric heat, under the present circumstances of no thermostats and 40 years of deferred maintenance, is not in the public interest, in that it will severely harm the lives of the 1,000 moderate-income tenants of Island House as it will result in the displacement of many.

Please compare the above with the below Island House Tenants Association (IHTA) draft statement as of 4/29/15:

- 1. The Sponsor's application is a Notice of Intent, which is incorrect because we are an electric heat building. The application should be rejected and reformulated as a Petition to Submeter, including the regulatory requirements that apply, e.g., shadow billing, energy audit, etc.*
- 2. The building is a heat building with baseboard heaters. Some heaters have thermostats, some tenants report heaters without thermostats. A window replacement program will commence this year, with some energy improvements expected, but the building should be assessed post-replacement for proper functioning of the building envelope. The building should have a consistent policy on which apartments require energy remediation and to what degree.*

3. We distinguish between "submeters" (the devices that measure individual electricity usage), and "consumption billing" (separate electricity bills for each apartment). **Submeters should be installed immediately**, even if consumption billing is delayed or not implemented. Submeters would help improve energy conservation within the apartments.

4. It is desirable (but not required) to **install submeters before windows** so that tenants who continue to rent will have the largest rent reduction based upon present energy use. Unlike coopters whose maintenance might go down with lower energy consumption, renters' rents will not go down with lower energy costs, thus rent reduction should be based upon usage numbers prior to window replacement.

5. After the energy improvements have been made, and after at least a year of shadow-bills to assess seasonal variance, then consumption billing should be re-evaluated for viability and implementation.

IHTA backs Mr. Hirschhorn's filing requesting permission to begin **immediate submetering prior to any upgrades, including new windows**. The rent reductions IHTA Secretary Frank Farance refers to will not depend on individual consumption data, and obviously have already been formulated by the landlord, possibly based on the electric billing data released to us in the Black Book in Schedule B3. Under "Intent," an expedited submetering approval process, shadow billing is dispensed with and the owner can proceed to submeter immediately, as long as his assertion that the filing is non-controversial is not rebutted, that is, proven otherwise. Many tenants were led to believe that the needed energy-efficiency upgrades would be completed before the start of sub metering; thus, tenants' informed consent to what Mr. Hirschhorn is now proposing (sub metering without the needed energy-efficiency upgrades) was not obtained.

Mr. Hirschhorn's filing is therefore controversial and should be dismissed.

Sincerely,

Ivana Jesic

Residents of Island House Association (RIHA)