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NEW YORK STATE PUBLIC SERVICE COMMISSION

3 Empire State Plaza
Albany, New York 12223-1350

Attention: Secretary Michelle L. Moses

Re: **NEIGHBORS OF WATERTOWN APARTMENTS AT MILL & MAIN**
PETITION TO SUB-METER ELECTRICITY
T.E. Project No. 23138
Case Number #

Dear Secretary Phillips:

Neighbors of Watertown (NoW) will be the managing member of the to-be-formed owner of the proposed multi-family apartment building facility referenced above, to be located at 160 Main Avenue, Watertown, NY, 13601. NoW hereby submits this petition for Public Service Commission approval pursuant to Section 96.2 of the Commission's Rules and Regulations, to submeter a 4-story, 63-unit residential building located within the National Grid territory.

Turner Engineering, PC is the mechanical and electrical engineers for a new, 63-unit facility being constructed by NoW, headquartered at 112 Franklin Street, Watertown, NY 13601.

The Apartments at Mill & Main is affordable, workforce rental housing with a 50% set aside to provide permanent supportive housing for individuals experiencing homelessness and either Serious Mental Illness (SMI) or Substance Use Disorder (SUD). Additionally, eight units in the building will have Project Based Section 8 Rental Assistance Vouchers (PBV) and will target very low-income individuals.

The 31 permanent supportive housing units are regulated by NYS Office of Mental Health. NOW is partnering with North Country Transitional Living Services (TLS) and Credo to provide wrap around supportive services to these residents, all of whom will have been homeless immediately prior to their residency at the property. These units are operationally subsidized by the Empire State Supportive Housing Initiative (ESSHI). Tenants in these units may have little to no income or public benefits when they move in. The ESSHI program provides rent subsidy to cover the cost of rent and utilities; tenants are required to pay 30% of their income towards these costs, with the subsidy covering the balance.

The eight PBV units will serve very low-income households, who also may have little to no income or public benefits when they move in. The PBV voucher works similarly to the ESSHI rental assistance; tenants pay 30% of their income to cover the cost of rent and utilities, with the balance covered by the PBV subsidy. This rental subsidy is regulated by HUD, NYS Homes and Community Renewal, and a local administrator.

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All units within the building are regulated affordable housing. Income limits apply to all units in the building, with a capped maximum gross rent set in accordance with the income limits. These rental caps take into account both monthly rent and any utilities paid by a tenant, so it incumbent on a property owner to ensure that the combination of both rent and utilities do not exceed the gross rent maximums.

This facility is four stories, wood framed, approximately 62,000 square feet in size, consisting of 63 one-bedroom apartments. Each apartment is equipped with a bedroom, living room, bathroom, and kitchen area. The common area of the facility includes three Offices, Community Room, Kitchen, Laundry, and two common Toilet Rooms. The purpose of this facility is to provide managed care for the residents, while assisting them in becoming more independent, with the intent for them to eventually be able to live independently.

The building envelope is designed to provide an extremely energy efficient envelope and windows with very low air infiltration/leakage and an excellent vapor barrier.

The heating system for the apartments will consist of Energy Star rated ground-source geothermal heat pumps. Domestic Hot Water will utilize a central plant consisting of a ground-source geothermal water-to-water heat pump. The heating system is estimated to be approximately 50% more efficient than a typical Energy Star rated Air-Source Heat Pump system.

This facility utilizes Energy Star rated LED light fixtures for all areas. The designed lighting energy usage will be substantially less than the energy usage allowed by the Energy Conservation Construction Code of New York State.

A Roof mounted solar array will be provided for this facility. The array is estimated to be approximately 68 kW DC/52 kW AC and will create approximately 72,000 kWh of energy per year.

Overall, this building will be substantially more efficient than required by the Energy Conservation Construction Code of New York State. We estimate this building will use less than 40% of the energy of a code compliant building equipped with an Air Source Heat Pump System. This building will be receiving incentives from NYSERDA, National Grid, and Tax Credits associated with the Federal Inflation Reduction Act.

This building will use no natural gas and will greatly reduce the overall carbon footprint.

Including utilities in the monthly rent is highly beneficial for this type of project, as it allows the owner to directly manage costs and to most easily administer the rent subsidy, which ensures that residents of the supportive housing and PBV units are paying no more than 30% of their monthly income towards the combination of rent and utilities. In addition to the administrative burden that would be created with individual electric accounts held by tenants, there is a practical consideration that these tenants often have a history of no or poor credit, which can complicate their ability to get a utility account set up in their name directly.

NoW would prefer to receive and pay one monthly bill, rather than 65 individual monthly bills, and is requesting a variance to the Public Service Tariff to allow residential apartments to be sub-metered in accordance with Public Service Part 96 – Residential Submetering.

NoW is requesting the building be metered with one master utility meter. The power distribution system will be designed to provide sixty-five sub-meters. Sixty-three sub-meters will be provided, one for each apartment. One sub-meter will monitor the usage of the house loads. The last meter will monitor the usage of the EV Chargers.

This metering arrangement will reduce the overall cost of the utilities for the building. First, the National Grid Meter Charge of \$17 per month for each apartment meter will be eliminated. The master meter will charge a demand charge for all the loads within the building, but the energy consumption rate will be much lower. Also, since this building will be extremely energy efficient due to the high efficiency envelope, the geothermal HVAC system, and the solar array, we anticipate that the demand charge will be substantially lower than a typical multi-family apartment building.

NoW will own this facility and has no intention of selling this facility in the future. The project's financing includes a 50-year recorded regulatory agreement with NYS Homes and Community Renewal that will obligate the property to serve the tenants identified above, including application of the income and rent limits. We have designed the electric service such that it can currently be metered by a single electric utility meter, but can be easily converted to separate utility electric meters in the future, should the use of the building be changed; however, the regulatory restrictions applied to this property make it very unlikely the property will ever be converted to market rate rental housing, even in the event it is sold or refinanced. The electric service will be designed as follows:

1. A single utility electric meter will be provided at the utility transformer location.
2. A utility grade meter center, consisting of one "house" meter socket, one EV meter socket, and sixty-three (63) apartment meter sockets, will be provided. A separate feeder is provided from each meter socket to a panelboard located in each apartment.
3. The sub-metering system will consist of sixty-six individual sub-meters, all wired to a central controller. The controller will have the ability to record the meters individually and provide monthly reporting by sub-meter. The sub-meters will be UL listed and will have an accuracy of 1% or better. A typical manufacturer is E-Mon D-Mon. A cut sheet of the proposed equipment is included in this application.

NoW, the owner of the facility referenced above, hereby submits this petition for Public Service Commission approval to be granted a waiver from the requirement of separate electric utility meters, based on the following reasons:

1. The property will provide rent subsidized supportive housing units for homeless and disabled tenants which are regulated by the New York State Office of Mental Health.
2. The property will provide rent subsidized units for very low income households which are regulated by HUD and NYS Homes and Community Renewal.
3. Providing one larger commercial service will result in lower overall utility charges than sixty-five individual utility services. This is due to the elimination of multiple meter charges,

lower consumption rates, a more evenly proportioned demand charge, and an extremely well designed and energy efficient building design.

4. NoW and the agencies providing supportive services to the tenants will have reduced administrative costs, as it only has to pay the one utility bill.
5. NoW is a large, not-for-profit agency providing housing to many people, including elderly, mentally ill, and those with addictions. NoW has an outstanding record and abides by all State rules and regulations, and Home Energy Fair Practices Act.
6. NoW has full time staff to address the needs of their tenants. These staff members provide a means for Tenants to submit complaints and have a responsibility to respond to all complaints.

Please review this waiver request and call if you have any questions. Thank you very much for your time.

Sincerely,

TURNER ENGINEERING, P.C.



Daniel D. Turner, P.E.
DDT/ddt

cc: Mr. Reginald Schweitzer – Neighbors of Watertown, Inc.
Ms. Monica McCullough – MM Development Advisors, Inc.
Mr. Jim Vekasy – SWBR