

1 **Undertaking Request (U-58)**

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3 ***Transcript Reference: July 18, 2018, Pg. 137, line 6 to Pg. 140, line 24***

4 Undertake to provide Hydro's plan (once it becomes available) with deliverables and a
5 schedule as to what are the consultations, when they will start, what you expect to gain
6 from them, who you hope to have do that?

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9 **Undertaking Response**

10 Please refer to U-58, Attachment 1 (Supply Adequacy and Reliability Review Engagement
11 Plan).

Supply Adequacy and Reliability Review Engagement Plan

Background

Newfoundland and Labrador Hydro is conducting a supply adequacy and reliability review with the goal of presenting recommendations on future system reliability to the Board of Commissioners of Public Utilities (the Board) in November 2018. The review will look at considerations such as historical and industry standard practices, reserve margins, back-up generation requirements, additional investment and expansion requirements for the system, if required, and alternative supply sources, if required.

Through a customer engagement initiative, stakeholder and consumer expectations for reliability, willingness to pay for reliability, and willingness to participate or invest in technology to drive changes in electricity use, will be gathered and used to inform recommendations to be included in the 2018 reliability review.

The intent of the engagement is to initiate a dialogue with customers and stakeholders, one which will be continued and evolved. Hydro's approach uses engagement practices that are consistent with similar engagement activities that are becoming common practice among utilities across Canada as a means to further understand and engage with customers regularly.

Goal of Hydro's Customer Engagement

Hydro has decisions to make regarding supply and reliability of electricity in the coming months and years. The decisions that will be made impact all customers across the province. While the decisions about system investments are made using appropriate analysis and evidence, and will require regulatory approvals, Hydro values the importance of seeking customer input for consideration in decision-making.

Through the engagement process, Hydro will have the opportunity to ask questions about many of the things that matter to, and are top-of-mind for, customers as it relates to their electricity service. By sharing information about the options and scenarios that Hydro is assessing, customers can provide input on reliability and cost expectations before Hydro makes its recommendations to the Board in November.

Overall Objectives:

1. Design and implement an engagement process that is open to all customers.
2. Implement an engagement approach that is accessible, meaningful, honest, and credible with information presented in a factual and non-leading manner.
3. Provide appropriate contextual information, in an easy to understand format, about the types of decisions to be made and what is known about the implications of various options.
4. Generate informed and values-based feedback that will be useful to Hydro in its decisions about future investment and reliability.

Audiences

There are a number of audiences that are important as we undertake this process. Hydro will be concentrating efforts on reaching as many electricity consumers in the province as possible.

There are several audiences that will be consulted and informed throughout the current process, including:

- Residential Customers;
- Newfoundland Power;
- Consumer Advocate;
- Industrial customers;
- Business and commercial customers;
- Board of Commissioners of Public Utilities;
- Municipalities;
- Provincial Government/Department of Natural Resources; and,
- Nalcor Energy.

Engagement Approach: NL Residential and Business Electricity Consumers

Hydro is executing a values-based engagement program with electricity customers across Newfoundland and Labrador. The program is designed to understand what matters most to the people who live in the province when considering electricity reliability and cost, to help Hydro make more informed decisions and ensure the feedback and perspectives of electricity customers is considered.

A two-pronged approach for customer engagement will be implemented. This approach will offer two participation opportunities to customers - a digital engagement and an option to join a longer-term consumer panel. Hydro also expects that engagement activities and approach may evolve as it continues this commitment of consultation with customers.

1. Digital Engagement

A digital engagement tool will be developed, promoted and open to all customers. The digital engagement will be designed using information about the system that is easy to understand and questions will be based on what people can genuinely provide an opinion on.

Short animated-videos will be created using a neutral and informative tone, to guide participants through the questions and will focus on three themes/topics.

1. Expectations regarding reliability
2. Balance of rates with reliability
3. Openness to alternate rate structures and other consumer options

Participants will be prompted to answer a series of questions immediately following each video. The digital engagement will also have questions that are directed only to business/commercial customers to ensure that feedback specific to that audience is received and can be segmented

out and reported on accordingly. The digital engagement will be available online for three weeks.

2. Consumer Panel

A customized online panel is a group of customers or consumers who voluntarily choose to join a panel and commit to providing feedback and opinions on a regular basis. This will be an asset that Hydro can initiate this year, and continue to use in the future to help ensure consumer feedback is incorporated in decision-making.

This type of panel provides a highly efficient and cost-effective forum to collect input and regular feedback from customers.

Customers who participate in the initial digital engagement will be asked if they wish to be a member of Hydro's panel. Once established and profiled, a panel offers a wide range of potential uses. Hydro will have the ability to make use of the panel to conduct regular engagement on topical issues, or potential, *ad hoc*, quick surveys to garner opinions on topics. This provides an ongoing consultation tool for Hydro to use in the future.

Deliverables:

A final research report will be compiled after collecting and analyzing all feedback received from this customer engagement. This report will be provided to the Hydro Production Planning group to allow adequate time to assess feedback and consider input into decision-making and recommendations on Supply Adequacy and Reliability, to be presented to the Board.

Reporting back to customers who participated in the engagement is also an important component of an engagement strategy. Therefore, a "What We Heard" report will be developed and made available publicly.

Engagement Approach: Additional Audiences

Audience	Approach	Responsible	Timing	Purpose	Deliverables
Board of Commissioners of Public Utilities	Briefing on engagement process, if required.	Manager, Regulatory Engineering Manager, Resource & Production Planning Manager, Communications	TBD	To inform on engagement process.	Document feedback received and continue to provide updates as required.
Newfoundland Power	Briefing to NP Executive through Joint Executive Meeting	Hydro VP, Production	June 2018	To inform on scope of project and initiate feedback.	Any feedback received will be documented and incorporated in final report as required.
	Follow-up to NP Executive through Joint Executive Meeting	Hydro VP, Production -	Sept 2018	To brief on project status and gain further feedback on cost vs. reliability balance.	Any feedback received will be documented and incorporated in final report as required.
	Presentation to Joint Planning Committee	Manager, Resource & Production Planning	June 2018	To inform on scope of project and initiate feedback.	Any feedback received will be documented and incorporated in final report as required.
	Briefing and draft engagement materials to NP Public Affairs Manager	Manager, Communications	July 2018	To inform on engagement approach and consider feedback.	Feedback on engagement incorporated as required.
	Discussion on Engagement approach with VP Gary Murray	Hydro VP, Production Manager, Resource & Production Planning Manager, Communications	July 31, 2018	To inform on approach and initiate feedback.	Direct feedback on approach and engagement questions documented.

Audience	Approach	Responsible	Timing	Purpose	Deliverables
	Engagement with NP Customer Service	Manager, Customer Service Manager, Resource & Production Planning	June – July 2018	To initiate engagement with NP on customer options, such as TOU rates.	Any feedback received will be documented and incorporated in final report as required.
	Discussion with NP Regulatory Affairs Team	Manager, Resource & Production Planning	August 2018	To continue discussions on TOU and Supply Adequacy and Reliability Review.	Any feedback received will be documented and incorporated in final report as required.
Consumer Advocate	Briefing on Supply Adequacy and Reliability Review project approach	Director, Rates and Regulatory Affairs Manager, Resource & Production Planning	August 2018	To provide overview of approach to Supply Adequacy and Reliability Review and solicit feedback on the cost versus reliability balance.	Any feedback received will be documented and incorporated in final report as required.
Industrial Customers	Briefings on Supply Adequacy and Reliability Review project approach	Manager, Key Accounts Manager, Resource & Production Planning	August – Sept 2018	To provide overview of approach and solicit feedback on the cost versus reliability balance.	Any feedback received will be documented and incorporated in final report as required.
Business/ Commercial customers	Targeted communication to: - Boards of Trade - Chambers of Commerce - Rotary Clubs	Manager, Communications	August-Sept 2018	To request assistance in encouraging members to participate in the digital engagement.	Feedback received from businesses will be segmented out by this audience and reported on accordingly.
Department of Natural Resources	Briefing to DNR staff on Supply Adequacy and Reliability Review Project	Manager, Resource & Production Planning	May 2018	Provide information on process and scope to ensure understanding and alignment.	Document feedback received, and continue to provide updates as required.

Audience	Approach	Responsible	Timing	Purpose	Deliverables
	Briefing and draft engagement materials to DNR Communications Director	Manager, Communications	July – August 2018	To inform on engagement approach and consider any feedback.	Feedback on engagement approach and messaging incorporated as required.
Nalcor Energy	Briefing on Supply Adequacy and Reliability Review	Manager, Resource & Production Planning	May – Sept 2018	To inform on the requirements of the study and obtain required reliability information on Lower Churchill Project assets.	Any feedback received will be documented and incorporated in final report as required.
	Briefing and engagement materials shared with Nalcor General Manager, Corporate Affairs & Corporate Planning	Manager, Communications	July – August 2018	To inform on engagement approach and consider any feedback.	Feedback on engagement and messaging.

Communications Strategy

A communications strategy will be implemented as a part of the engagement process to help ensure that customers understand the purpose of this engagement activity and to encourage and promote participation.

Communications activities will include, but may not be limited to:

- Media Outreach Initiatives
 - News Release and spokesperson to announce the engagement, outline the purpose, and encourage participation.
- Social Media
 - Posts via Hydro social media channels (Facebook and Twitter) to encourage participation.
- Digital Media
 - Hydro website - information about purpose of the engagement and prominent link to participate in the digital engagement.
 - Digital advertising to promote and encourage participation
- Customer Communication
 - Communication direct to Hydro customers through bill insert and e-billing communication
- Municipalities

- Communication direct to municipalities through MNL mailing list with request to encourage residents to participate.
- Internal communication – Hydro and Nalcor
 - Email to Hydro and Nalcor employees to provide information and context so that employees, as customers, are informed of engagement objectives and speak knowledgably when asked.

Key Messages

- Hydro is responsible and accountable to plan for the safe, reliable supply of electricity in the province.
- As Hydro continues planning for the future, customer feedback is important to us.
- We want to collect valuable feedback from customers as we plan for future rates and system reliability.
- We know customers are concerned about the future of electricity in our province so before further decisions are made, we want to ensure we get your input and consider it in our analysis.
- Hydro will be presenting a report to the Board in November, outlining recommendations for future electricity supply and system reliability.

Strategic Considerations

- Timing - this engagement work is coinciding with many other related topics, which have the potential to cause confusion and impact the feedback people provide. Things such as, Hydro's General Rate Application, concern about rate mitigation, the Muskrat Falls Inquiry, and the conclusion of the RSP refund among others. We are cognizant of this; however, we do not believe it is a reason not to begin engaging with customers.
- Options for engagement approach – many options have been considered, including in person and net focus groups, world café style gatherings, and other digital approaches. To begin, Hydro has chosen this digital engagement as a means to allow all customers who wish to participate, an opportunity to do so in an easy, efficient and accessible manner. Hydro is committed to continuing engagement and may engage using other formats in the future. In addition, this digital engagement allows for the creation of a consumer panel, which again supports Hydro's desire for continued engagement activity.
- Engagement integrity – while public engagement is not the same as statistical research, strategies will be implemented to help ensure respondents do not complete the engagement multiple times. Sample size will be monitored throughout time in-market and promotion will be adjusted as necessary to bolster response rate or response by location, if required.
- Understandability – Given the complexities of the electricity system and decisions being made, careful consideration must be given to what customers can understand. Hydro will conduct tests of the engagement content prior to release and will also use short education videos to accompany the engagement questions, to help ensure a level of understanding. Hydro believes this engagement program is in itself a step towards continued education.

Timeframe

Development of the digital engagement, animated videos and communications/advertising materials will be developed and finalized between mid-July and early August with launch at the end of August. The customer engagement will be open for three weeks.

Additional engagement activities with other audiences will be ongoing throughout August and September.

Initial data will be completed by early October 2018 with a report completed in November 2018.

Measurement/Targets

As recommended by our engagement consultants, target participation is 3,000 total digital engagement completions. This is approximately 1% of total electricity customers. However, we would like to hear from as many customers as possible.

Real time monitoring of participation will occur throughout the engagement period and targeted promotion and advertising will be adjusted as required.