

1 Q. **Reference: Schedule 1 – Evidence, pages 2 and 3**

2 It is stated “The proposed electrification programs all have results above 2.0.”

3 a) Has Hydro considered time-of-use rates for industrial customers and assessed benefit to
4 cost ratios?

5 b) Please identify the costs and benefits of a time-of-use rates program for industrial
6 customers and show how it compares to the benefit to cost ratios for CDM and
7 electrification programs.

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10 A. *This Request for Information relates to the Electrification, Conservation and Demand*
11 *Management Plan: 2021-2025 (the “2021 Plan”) developed in partnership by Newfoundland and*
12 *Labrador Hydro and Newfoundland Power (“Hydro” or, collectively, the “Utilities”). Accordingly,*
13 *the response reflects collaboration between the Utilities.*

14 a) Yes, the benefit-to-cost ratio of dynamic rates, including time-of-use rates, was considered
15 in the DR Potential Addendum Final Report completed by Dunskey Energy Consulting.¹ The
16 benefit-to-cost ratio was assessed through the Program Administrator Cost (“PAC”) test.
17 Under this test, a result of 1.0 or greater is required for an initiative to be considered cost
18 effective.

19 Table 1 provides the forecast PAC test results for dynamic rates over time.²

¹ “Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev. 1, July 8, 2021 (originally filed June 16, 2021), sch. 3, sch. E.

² Ibid., p. 11 of 25.

**Table 1: PAC Test Results
Dynamic Rates
(2020 to 2034)**

Year	PAC Result
2020	0.5
2024	0.5
2029	0.7
2034	1.2

1 The results indicate that dynamic rates are not forecast to be cost-effective for customers
2 until after 2030.

3 b) All planned conservation and demand management (“CDM”) and electrification programs
4 were assessed to be cost-effective for customers.³

5 Table 2 provides the forecast PAC results for planned customer CDM programs.⁴

**Table 2: PAC Test Results
CDM Programs**

Program	PAC Result
Insulation and Air Sealing	7.5
Thermostat	2.2
HRV	2.2
Instant Rebates	2.6
Benchmarking	1.3
Low Income	2.7
Business Efficiency Program	4.3

³ Please refer to Hydro’s response to PUB-NLH-023.

⁴ Customer CDM programs are also evaluated using a Total Resource Cost (“TRC”) test. For the TRC results of CDM programs, see “Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev. 1, July 8, 2021 (originally filed June 16, 2021), sch. 3, sch. L, p. 5 of 5.

1 The cost-effectiveness of customer electrification programs is evaluated using a modified
2 Total Resource Cost (“mTRC”) test. Similar to the PAC test, a result of 1.0 or greater is
3 required for an initiative to be considered cost effective.

4 Table 3 provides the forecast mTRC results for planned customer electrification programs.

**Table 3: mTRC Test Results
Electrification Programs**

Program	mTRC Result
Residential EV & Charging Infrastructure Program	1.9
Commercial EV & Charging Infrastructure Program	2.2
Custom Commercial Electrification	2.1