

1 Q. On page 3 of the Application [paragraph 7] Hydro notes that the 2021 Plan “*includes the*
2 *following electrification programs for the Island Interconnected System* [underlining added]:

- 3 (i) *Programs to promote use of EV and electrification of other end uses;*
- 4 (ii) *Customer education and research relating to the electrification of end uses, including*
5 *transportation electrification; and*
- 6 (iii) *Utility investment in EV charging infrastructure.*

7 On page 4 [paragraph 14] Hydro notes that the “*application requests that the Board approve the*
8 *revisions to Hydro’s CDM Cost Deferral Account to allow deferral of costs associated with the*
9 *delivery of the electrification programs on the Island Interconnected System and the deferral of*
10 *CDM costs incurred for customers on the Labrador Interconnected System.*”

- 11 a) Please confirm that the only capital costs incurred for the electrification program are
12 those associated with the EV charging stations, and any other ECDM activities do not
13 involve investment in new capital?
- 14 b) With respect to the EV capital investment, the PUB has previously found that EV
15 charging services are not public utility investments (P.U. 27 (2020)). Why is Hydro not
16 making this investment on the basis that the costs of the EV network will be recovered
17 from the users who charge at the noted charging stations, as a non-regulated service?
- 18 c) Hydro indicated (Schedule 1, page 6) that it will credit revenues from charging services
19 against the program costs. If these revenues serve to offset costs that are otherwise
20 proposed to be paid by regulated customers, how are these charges not a rate that
21 must be considered by the Board?
- 22 d) Please provide a full schedule of the revenues anticipated, by year, including the rate
23 charged for the services, how this rate was established, how the rate is anticipated to
24 change over time and why a full cost recovery rate was not implemented.

- 1 A. a) It is not confirmed. The Make-Ready Program can also result in investment in new capital.
2 Please refer to Newfoundland and Labrador Hydro’s (“Hydro”) response to PUB-NLH-016.
- 3 b) Hydro’s network of chargers currently charge a rate of \$15.00 per hour for direct current
4 fast charging (“DCFC”) and \$1.50 per hour for Level 2 charging. These are market-based
5 rates, consistent with rates found in other provinces in Atlantic Canada. The current rates
6 were not set with full cost recovery in mind, but rather to promote and incent electric
7 vehicle (“EV”) ownership which will serve to provide rate mitigation benefits to all
8 customers. Due to the relatively low number of EVs currently in the province, full cost rates
9 would not be competitive and would not promote EV ownership on the Island
10 Interconnected System.
- 11 Expansion of charging infrastructure is critical to increasing adoption of EVs in
12 Newfoundland and Labrador. As noted in the Conservation Potential Study by Dunskey
13 Energy Consulting,¹ DCFC and Level 2 deployment have the highest impact on EV adoption in
14 both the short and long term. Given that the rate mitigation benefits afforded by increased
15 energy sales to EV owners will flow to all customers on the Island Interconnected System,
16 Hydro believes it is appropriate to recover these costs from all customers, consistent with
17 the current treatment of conservation and demand management costs.
- 18 c) As Hydro noted in its application regarding the provision of electric charging services, Hydro
19 believes that the provision of EV charging services to EV owners is not a service that is
20 intended to be governed by the legislation, it is a service beyond the meter and is not a
21 regulated service. The Board of Commissioners of Public Utilities (“Board”) agreed with
22 Hydro’s submission, as noted in Schedule 1, page 6, and stated in Order No. P.U. 27(2020),
23 that “The Board does not believe that in the circumstances EV charging services are public
24 utility services which should be subject to the requirements set out in the *Act*.”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. C.

² Board Order No. P.U. 27(2020), p. 5/24–26.

- 1 d) Forecast revenues from electrification initiatives are detailed by year in Hydro’s application.³
2 Hydro charges a market-based rate for public charging services to encourage EV adoption
3 and resulting rate mitigation benefits; a Board-approved rate would be one that, per
4 legislation, would be required to recover all costs and would be prohibitive at the early
5 stages of EV adoption. Please refer to Hydro’s response to IIC-NLH-004, part b) which
6 provides additional detail on the rates charged for public EV charging services.

³ “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. 1. app. A.