

1 Q. Please provide all available information with respect to other Canadian provinces where EV and
2 charging infrastructure incentives are offered by a utility and costs are recovered from
3 customers. If the costs of EV and charging infrastructure incentives are generally not recovered
4 from utility customers in other provinces, please explain why the proposed recovery from
5 customers in this province should be approved.

6

7

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

12 Electric Vehicles (“EVs”) are a rapidly emerging technology globally.¹ EV and charging
13 infrastructure incentives are currently being pursued throughout North America to meet specific
14 policy goals, including greenhouse gas reductions. In the Utilities’ view, given the emerging
15 nature of the technology, it is appropriate for the Board of Commissioners of Public Utilities to
16 consider not only the experience in Canadian jurisdictions, but North American jurisdictions
17 more broadly.

18 In Canada, incentive programs are often administered directly by municipal, provincial or federal
19 governments. As examples, rebates for Level 2 chargers are provided by the cities of Edmonton,
20 Victoria, Dorval, and various other municipalities. Rebates for EVs are provided by the
21 governments of British Columbia, Nova Scotia, Prince Edward Island, Quebec, and, most
22 recently, Newfoundland and Labrador.²

23 In some cases, the incentive programs are administered by a utility, but are funded by
24 government. Examples include:

¹ For example, please refer to Hydro’s response to CA-NLH-026 for a history of EV charger development.

² In Budget 2021, the Government of Newfoundland and Labrador announced a \$2,500 rebate on the purchase of electric vehicles.

1 (i) BC Hydro’s and FortisBC’s EV charger rebate programs. These programs provide rebates for
2 the purchase and installation of EV chargers and infrastructure for homes and workplaces
3 throughout British Columbia. These programs are offered as part of the province’s CleanBC
4 plan and are funded by the Government of British Columbia. The policy goal is to make clean
5 transportation more affordable and accessible.³

6 (ii) Nova Scotia Power’s EV Smart Charging Program. This is a pilot program aimed at collecting
7 information on how smart charging systems can help lower energy usage during peak times.
8 The pilot program is implemented as part of the Smart Grid Nova Scotia initiative, which is
9 supported by Natural Resources Canada and the Government of Nova Scotia. The policy goal
10 is to support renewable energy and new energy technologies in a manner that maintains
11 reliability and affordability for customers.⁴

12 As the existing EV incentive programs in Canada are supported by government funding, the
13 recovery of costs from utility customers has, to date, not been required.

14 The recovery of EV incentive costs from utility customers is more common in the United States.
15 Newfoundland Power Inc. (“Newfoundland Power”) has documented 10 states where utilities
16 provide incentive programs for EVs and charging infrastructure, and recover the associated costs
17 from customers. Please refer to Newfoundland Power’s response to PUB-NP-027 provided as
18 Attachment 1.

19 While EV incentive programs are an emerging area, the benefits of electrification have been
20 recognized in industry research. For example, the Electric Power Research Institute states:

21 Replacing fossil-fueled end-use and non-energized processes with electric
22 technologies, a conversion known as electrification, can yield considerable
23 benefits not only to customers who undertake this activity but more broadly to
24 electricity billpayers and society at-large.⁵

³ See <https://goelectricbc.gov.bc.ca/>.

⁴ See <https://www.nspower.ca/cleanandgreen/innovation/smart-grid-nova-scotia>.

⁵ “The Total Value Test: A Framework for Evaluating the Cost-Effectiveness of Efficient Electrification,” Electric Power Research Institute, August 2019, p. 6.

1 In the Newfoundland and Labrador context, electrification of the transportation sector is being
2 pursued to support the provincial policy goal of customer rate mitigation. A net present value
3 (“NPV”) analysis has confirmed that customer electrification programs, including EV incentives,
4 will provide a rate mitigating benefit for customers over the longer term.⁶ This rate mitigating
5 benefit is consistent with the delivery of least-cost, reliable service to customers.⁷ It is
6 appropriate for costs consistent with least-cost, reliable service delivery to be recovered from
7 customers.

8 Additionally, the Utilities’ are pursuing transportation electrification in a manner that will
9 achieve effective load management.⁸ Without load management, transportation electrification
10 will materially increase costs to customers by 2034.⁹ This would be inconsistent with the
11 provincial policy goal of customer rate mitigation.

12 As such, while ratepayer recovery has generally not been required elsewhere in Canada for EV
13 incentives aimed at achieving environmental goals, it is appropriate in the Newfoundland and
14 Labrador context where EV incentives are being pursued specifically to mitigate customers’
15 electricity rates.

16 For more information on why EV incentives are appropriate for inclusion in the Utilities’
17 portfolio of electrification programs, please refer to Hydro’s response to PUB-NLH-004.

⁶ “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.

⁷ Section 3(b)(iii) of the *Electrical Power Control Act, 1994*.

⁸ Please refer to Hydro’s response to PUB-NLH-006.

⁹ “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, p. 12, table 1.

1 **Q. Schedule B – North American Electrification Initiatives**

2
3 **Schedule B, Table B-1, provides information on the jurisdictions that offer vehicle**
4 **incentives and EV charger incentives for commercial and residential rate payers. Of**
5 **the 43 provinces/states listed in the table, 11 provide vehicle incentives, however 3 of**
6 **the 11 (British Columbia, Quebec and New York) indicate that the incentive is**
7 **funded by the province/state. Is Newfoundland Power aware of utilities in any**
8 **provinces or states that provide vehicle and charger incentives and if so, is the cost**
9 **of the incentive program recovered in rates for all ratepayers?**

10
11 A. Ratepayer recovery was identified as the primary source of funding for electric vehicle
12 initiatives in a 2019 utility survey.¹ Approximately 60% of utilities funded electric
13 vehicle initiatives solely from ratepayers or from a combination of ratepayer recovery and
14 government funding.²

15
16 Table 1 provides examples of utilities providing vehicle or charger incentives and
17 recovering the incentive program costs from ratepayers.

Table 1:
Examples of Utility Incentive Programs

Jurisdiction	Utility	Program	Rate Recovery
Colorado	Xcel Energy	Charger Incentives	The Colorado Public Utilities Commission approved recovery of costs through an extra charge on electric rates for charger incentives and other electrification initiatives. ³
North Carolina	Duke Energy	Vehicle Incentives	The North Carolina Utilities Commission approved ratepayer recovery for transportation electrification, including vehicle incentives for electric school buses. ⁴
Maryland	Baltimore Gas and Electric Company, Delmarva Power and Light Company, Potomac Edison and Potomac Electric Power Company	Charger Incentives	The Maryland Public Service Commission approved recovery of the cost of charger incentives from ratepayers. ⁵

¹ As part of the 2019 *E Source Utility DER and Electrification Benchmark* research, 28 utilities were asked to identify the source of funding for their electric vehicle activities. Nine respondents funded activities solely through ratepayer recovery. Eight utilities funded electric vehicle initiatives through a combination of ratepayer recovery and government funding.

² $(9 + 8 = 17) \div 28 = 0.607$, or approximately 60%.

³ See <https://www.denverpost.com/2020/12/24/colorado-puc-xcel-energy-electric-transportation-plan>.

⁴ See <https://cleanenergy.org/blog/duke-energys-electric-transportation-pilot-gets-green-light-in-nc>.

⁵ See https://www.psc.state.md.us/wp-content/uploads/MD-PSC-Approves-Modified-Utility-EV-Charging-Portfolio_01142019-1.pdf.

**Table 1:
Examples of Utility Incentive Programs**

Jurisdiction	Utility	Program	Rate Recovery
Missouri	Ameren Missouri	Charger Incentives	The Public Service Commission of the State of Missouri approved ratepayer recovery of commercial charger incentives. ⁶
New York	Central Hudson Gas and Electric Corporation, Consolidated Edison Company of New York Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, National Grid, Orange and Rockland Utilities Inc., and Rochester Gas and Electric Corporation.	Charging Incentives	The State of New York Public Service Commission approved recovery of rebates paid to commercial customers for charging as a regulatory asset, to be collected via a surcharge mechanism over a period of 15 years. ⁷
Michigan	Consumers Energy and DTE Energy	Charging Incentives	The Michigan Public Service Commission (MPSC) approved ratepayer recovery of \$10 million in electric vehicle investment, which included commercial and residential charging incentives, by Consumers Energy. ⁸ The MPSC approved rate recovery of \$13 million in EV investment by DTE Energy, which included residential and commercial charging incentives. ⁹
Texas	Austin Energy	Vehicle Incentives	EV programs are partially funded through rates. However, since Austin Energy is not a public power utility, the utility does not do direct rate basing for EV programs or individual initiatives. An annual budgeting process each year for all proposed utility expenses includes dedicating a portion to customer programs.

⁶ See *Public Service Commission of the State of Missouri file number ET-2018-0132*, February 16 and October 17, 2019.

⁷ See *State of New York Public Service Commission file 18-E-0138*, July 16, 2020.

⁸ See https://www.michigan.gov/documents/mpsc/EV_Pilot_Issue_Brief_05-02-2019_653974_7.pdf.

⁹ See https://www.michigan.gov/mpsc/0,9535,7-395-93307_93313_17280-496392--,00.html.

**Table 1:
Examples of Utility Incentive Programs**

Jurisdiction	Utility	Program	Rate Recovery
Ohio	American Electric Power	Charging Incentives	The Public Utilities Commission of Ohio gave American Electric Power approval to spend up to \$10 million to encourage electric vehicle adoption including charger incentives. ¹⁰ The investment will be funded via customer bills.
Virginia	Virginia Electric and Power Company	Charging Incentives	The Commonwealth of Virginia State Corporation Commission approved ratepayer recovery of charging incentives as part of a smart charging pilot. ¹¹
Georgia	Georgia Power	Charging Incentives	The Georgia Public Service Commission approved Georgia Power's 2019 rate case which included \$6 million in electric vehicle investment over a 3-year period, including charger incentives. ¹²

¹⁰ See <https://www.dispatch.com/business/20180425/push-toward-electric-vehicles-gets-boost-from-ohio-regulators>.

¹¹ See *Commonwealth of Virginia State Corporation Commission Case No. PUR-2019-00154*, March 26, 2020.

¹² See *Georgia Public Service Commission Case No. 42516*, December 17, 2019.