Q. Did the utilities consult with or seek an expert opinion on the appropriate cost-effectiveness test(s) to use for electrification programs in this jurisdiction?

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

Yes, the Utilities sought expert opinions on the appropriate cost-effectiveness test for electrification programs in this jurisdiction.

The Utilities contracted Econoler Inc., a consulting services firm, to provide an overview of current utility practice with respect to conservation and electrification programs. This included information on utility practice for evaluating the cost effectiveness of electrification programs. The results of Econoler's work are reflected in the Utilities' survey of North American utility practice for evaluating electrification programs.[1] The survey confirmed that the modified Total Resource Cost ("mTRC") test is consistent with the approach of other utilities in conducting overall cost assessments of electrification programs.

The Utilities consulted the National Standard Practice Manual ("Manual")[2] in developing the appropriate cost-effectiveness test for electrification programs in this jurisdiction. The Manual is published by the National Energy Screening Project, an organization with extensive expertise in cost-effectiveness screening practices. The Utilities applied the principles, steps, and considerations outlined in the Manual, including those specific to customer electrification

[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). Schedule 3, Schedule I, page 3.
[2] "National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources," National Energy Screening Project ("NESP"), August 2020.

initiatives, in developing the mTRC test.[3] This ensures the appropriate considerations and inputs are included in the mRTC test.

Finally, the Utilities contracted ICF Consulting, a global advisory services provider, to develop a model for calculating the mTRC test. ICF Consulting used their established model, which has been applied in other jurisdictions, and adapted that model for the Newfoundland and Labrador context.[4]

Overall, the third-party expertise provided by Econoler, the Manual, and ICF Consulting confirms that use of the mTRC test is appropriate to assess the cost effectiveness of the Utilities' electrification programs.

[3] Please refer to Hydro's response to PUB-NLH-022.
[4] ICF Consulting indicated that, as examples, its model has been applied in Colorado, Wisconsin, New York, and Nevada. For information on how the mTRC test is applied in these states, see Hydro's response to PUB-NLH-022.