Q. Has Hydro received approval of the funding for the DCFC charging stations from the Federal Government? If this funding is not approved, how will it impact the Net Present Value Analysis included in Appendix A of Schedule 1?

A. Newfoundland and Labrador Hydro ("Hydro") and Newfoundland Power jointly applied, and were approved for, federal funding towards the construction of 19 electric vehicle ("EV") charging stations in the amount of $55,000 per station.

Hydro's ability to execute the project is pending approval by the Board of Commissioners of Public Utilities ("Board") of the proposed capital expenditures associated with the expansion of the direct current fast charger ("DCFC") network, along with approval of the proposed recovery through the Electrification, Conservation and Demand Management ("ECDM") deferral account. Please refer to Hydro's response to PUB-NLH-017 for details surrounding the deadlines associated with this funding.

While funding has been approved, were Hydro to proceed to construct all the planned chargers without federal funding, the net present value analysis would be reduced to approximately $3,000. Hydro notes that while this analysis is limited to the revenue impacts associated with sales to its customers only (i.e. excluding increased sales to those customers served by Newfoundland Power), such a clear delineation of rate mitigation benefits by company is unlikely. For example, Hydro's investment in public EV charging infrastructure will serve to promote EV ownership and rate mitigation efforts throughout the Province, not solely from those customers who live near the proposed chargers in Hydro's service territory.

Regardless, Hydro notes that if it were not able to secure funding in future years, it would reevaluate the scale and scope of its proposed charger expansion to ensure the continued provision of least-cost reliable service to customers.