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

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

EVs are a rapidly emerging technology globally.[1] EV and charging infrastructure incentives are currently being pursued throughout North America to meet specific policy goals, including greenhouse gas reductions. In the Utilities' view, given the emerging nature of the technology, it is appropriate for the Board to consider not only the experience in Canadian jurisdictions, but North American jurisdictions more broadly.

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

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

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

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

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1 For example, see response to Request for Information CA-NP-060 for a history of EV charger development.
2 In Budget 2021, the Government of Newfoundland and Labrador announced a $2,500 rebate to consumers on the purchase of EVs.
3 See https://goelectricbc.gov.bc.ca/.
4 See https://www.nspower.ca/cleanandgreen/innovation/smart-grid-nova-scotia.

As existing EV incentive programs in Canada are supported by government funding, there has not yet been a business case to require recovery of costs from utility customers.

The recovery of EV incentive costs from utility customers is more common in the United States. Newfoundland Power has documented 10 states where utilities provide incentive programs for EVs and charging infrastructure, and recover the associated costs from customers.[5] A February 2021 report from the Edison Electric Institute found that *"[e]lectric companies increasingly are engaged in many different facets of electric transportation,"* with 52 electric companies having regulatory approval for filings related to transportation electrification, including incentive programs.[6]

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

> *"Replacing fossil-fueled end-use and non-energized processes with electric technologies, a conversion known as electrification, can yield considerable benefits not only to customers who undertake this activity but more broadly to electricity billpayers and society at-large."*[7]

In the Newfoundland and Labrador context, electrification of the transportation sector is being pursued to support the provincial policy goal of customer rate mitigation. A net present value analysis confirmed that customer electrification programs, including EV incentives, will provide a rate mitigating benefit for customers over the longer term.[8] This rate mitigating benefit is consistent with the delivery of least-cost, reliable service to customers.[9] It is appropriate for costs consistent with least-cost, reliable service delivery to be recovered from customers.

Additionally, the Utilities are pursuing transportation electrification in a manner that will achieve effective load management.[10] Without load management, transportation electrification is forecast to increase costs to customers by approximately $22 million by 2034.[11] This would be inconsistent with the provincial policy goal of customer rate mitigation.

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

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5 See response to Request for Information PUB-NP-027.
6 See Edison Electric Institute, *Electric Transportation Biannual State Regulatory Update,* February 2021.
7 See Electric Power Research Institute, *The Total Value Test: A Framework for Evaluating the Cost-Effectiveness of Efficient Electrification,* August 2019, page 6.
8 See Newfoundland Power's *2021 Electrification, Conservation and Demand Management Application,* Volume 1, Exhibit 2, Appendix A.
9 See Section 3(b)(iii) of the *Electrical Power Control Act, 1994.*
10 See response to Request for Information PUB-NP-037.
11 See response to Request for Information PUB-NP-066.

For more information on why EV incentives are appropriate for inclusion in the Utilities' portfolio of electrification programs, see response to Request for Information PUB-NP-035.