

1 **Q. Reference slide 21**

2 (a) Please decompose the annual capital costs (Column A) into their main components and
3 similarly for program costs (Column B) decompose into the separate programs (presumably
4 the three programs listed on slide 13).

5 (b) Regarding Incremental System Costs (Column D), what is the source of these costs
6 considering that the electricity would otherwise still have been produced for export and
7 therefore have entailed system costs?

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10 A. *This Request for Information relates to the Electrification, Conservation and Demand*
11 *Management Plan 2021–2025 (“2021 Plan”) developed in partnership by Newfoundland and*
12 *Labrador Hydro (“Hydro”) and Newfoundland Power Inc. (“Newfoundland Power”) (collectively,*
13 *the “Utilities”) and the related Technical Conference presented by the Utilities on February 1,*
14 *2022. Accordingly, the response reflects collaboration between the Utilities.*

15 (a) The capital cost of the electric vehicle (“EV”) charging infrastructure is the only component
16 included in Column A.

17 Please refer to Hydro’s response to PUB-NLH-037 for a breakdown of the program costs
18 included in Column B over the period 2021–2025.

19 Program costs following 2025 reflect costs associated with future EV load management
20 programs. The 2021 Plan includes initiatives to assess the best options for future EV load
21 management programs.¹ Effective load management programs will be implemented
22 following this assessment and prior to EV adoption driving significant increases in system
23 load.

¹ Options include the use of smart chargers and direct-load controllers. Incentives may be used to cover equipment purchases or to provide a monthly participation credit for allowing the utility to manage their EV charging. The costs included in Column B post-2025 reflect this approach.

1 The Utilities’ approach to piloting EV load management is consistent with the
2 recommendations of the market potential study completed by Dunskey Energy Consulting.

3 Please refer to Hydro’s response to PUB-NLH-006, for further information on load
4 management initiatives included in the 2021 Plan.

5 (b) The Incremental System Costs included in Column D reflect the marginal energy and
6 capacity cost projections for the Island Interconnected System following the commissioning
7 of the Muskrat Falls Project.²

8 The marginal energy costs are based on export prices. The energy produced from the
9 Muskrat Falls Project will either be consumed domestically or exported. The marginal
10 energy costs included in Column D reflect the lost revenues associated with the export
11 revenues forgone to consume the energy domestically to receive the higher revenues
12 included in Column C.

13 Please refer to Hydro’s response to TC-CA-NLH-006 for further information on the system
14 and cost dynamics on the Island Interconnected System following the commissioning of the
15 Muskrat Falls Project.

² Please refer to "Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025," Newfoundland and Labrador Hydro, rev. July 8, 2021 (originally filed June 16, 2021), sch. 3, sch. H, Table H-1, p. 1 of 1.