

1 **Q. (Reference Application Schedule B, Street Lighting – LED Replacement Program,**
 2 **page 34 of 99) It is stated “This project is justified on the obligation to provide reliable**
 3 **service to customers at least cost and cannot be deferred.”**

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 5 **a) Please explain the impact on customers if this project were delayed by a year.**
 6 **b) Are there other projects that would likewise be consistent with providing reliable**
 7 **power at least cost such as a rebate program to promote customer switching from**
 8 **baseboard heating to heat pumps?**

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 10 A. a) Delaying this project would result in street and area lighting customers continuing to
 11 pay higher rates for a less reliable service.

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 13 The replacement of High-Pressure Sodium (“HPS”) street lights with LED fixtures
 14 was outlined in Newfoundland Power’s *LED Street Lighting Replacement Plan* filed
 15 with its *2021 Capital Budget Application*.

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 17 In comparison to existing HPS street lights, LED fixtures provide lower rates to
 18 customers of between 10% and 39%.¹ LED fixtures also result in fewer street light
 19 outages for customers.²

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 21 The Board approved the first year of Newfoundland Power’s *LED Street Lighting*
 22 *Replacement Plan* in Order No. P.U. 37 (2020). Expenditures proposed for 2022
 23 reflect the second year of executing this plan.

24
 25 Delaying the execution of this plan would be inconsistent with the delivery of reliable
 26 service to customers at least cost.

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 28 b) Yes, there are other programs that are consistent with providing reliable power at
 29 least cost, such as rebate programs. Conservation and Demand Management
 30 (“CDM”) programs are implemented through the takeCHARGE initiative, which is
 31 jointly delivered by Newfoundland Power and Newfoundland and Labrador Hydro.

32
 33 Programs for residential customers include rebates for energy-efficient products, such
 34 as insulation and thermostats. Programs for commercial customers include the
 35 Business Efficiency Program, which provides customized support and rebates for
 36 businesses seeking to save energy.

37
 38 Newfoundland Power performs economic analyses of its CDM programs to ensure
 39 they are least cost for customers.³

¹ See Newfoundland Power’s *Schedule of Rates, Rules and Regulations, Effective July 1, 2021*.

² See the *2021 Capital Budget Application, Volume 1, LED Street Lighting Replacement Plan*, pages 3 to 4 and pages 7 to 12.

³ Newfoundland Power’s methodology for evaluating CDM programs was approved by the Board in Order No. P.U. 18 (2016).