

- 1 **Q. (Application Volume 1, pages 2-10 and 2-11) It is stated “Customer CDM and**
2 **electrification programs are complementary. As customers’ energy usage increases**
3 **through electrification, it becomes increasingly important to manage impacts on**
4 **system peak and related system costs through CDM. Both CDM and electrification**
5 **programs result in lower overall costs for customers.”**
- 6 a) **Please confirm that NP’s electrification program has not yet received Board**
7 **approval.**
- 8 b) **If Board approval is not granted until August 2021 will NP’s proposed**
9 **electrification program be delayed? At what point will NP be forced to make**
10 **schedule changes to its proposed electrification program that would impact**
11 **costs included in the GRA and 2022 Capital Budget Application?**
- 12 c) **If the Board does not allow charging station costs in regulated rate base how**
13 **will this affect the revenue requirement and rate increase proposed in the**
14 **GRA?**
- 15 d) **If the Board does not allow cost recovery of charging station costs in a**
16 **deferral account how will this affect the revenue requirement and rate**
17 **increase proposed in the GRA?**
- 18 e) **Given that the proposed electrification program increases peak demand, does**
19 **it also increase reliability risk and NP’s ability to provide reliable service at**
20 **lowest cost assuming CDM programs make the same contribution to peak**
21 **demand reduction with or without the proposed electrification program?**
22 **Please explain.**
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- 24 A. a) Newfoundland Power confirms that its *2021 Electrification, Conservation and*
25 *Demand Management Application* (the “ECDM Application”) has not yet
26 received Board approval.
- 27
- 28 b) There would not be a delay in Newfoundland Power’s electrification program if
29 Board approval for its ECDM Application is granted in August 2021.
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31 Newfoundland Power will assess the impact of any order of the Board on the
32 ECDM Application following receipt of an order. Any scheduling changes would
33 not be expected to materially impact 2022 and 2023 forecast costs.
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- 35 c) See response to Request for Information PUB-NP-047.
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- 37 d) See response to Request for Information PUB-NP-047.
- 38
- 39 e) No, the proposed electrification programs do not increase reliability risk or
40 Newfoundland Power’s ability to provide reliable service at lowest cost.

1 Incremental system costs resulting from electrification initiatives are outlined in
2 Newfoundland Power’s net present value (“NPV”) analysis. For example, by
3 2034 it is projected that incremental system costs will total approximately
4 \$62 million as a result of electrification initiatives. These system costs are more
5 than offset by projected incremental revenues from electrification initiatives of
6 approximately \$100 million by 2034.

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8 The NPV analysis determined that increased net revenue through electrification
9 programs will provide a rate mitigating benefit for customers of approximately
10 0.5¢/kWh by 2034.¹

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12 The *Electrification, Conservation and Demand Management Plan: 2021-2025*
13 (the “2021 Plan”) will also lay the foundation for effective load management.
14 This approach is consistent with the recommendations outlined in the 2020-2034
15 Potential Study (the “Study”) conducted by Dunsky Energy Consulting
16 (“Dunsky”).²

17
18 Finally, customer conservation and demand management (“CDM”) and customer
19 electrification programs are complementary. As a result of CDM programs,
20 customers are forecast to achieve a peak demand reduction of approximately
21 70 MW by 2025, more than offsetting the increase in peak demand of 3.2 MW
22 resulting from the electrification programs.³

¹ Net revenue represents incremental revenues, less incremental system and program costs.

² Dunsky assessed the impact of unmanaged versus managed charging of all EV load at times of system peak in 2034. The Study estimates that 85% of EV load can be shifted off-peak through load management to provide positive NPV results through 2034. The Study recommended the utilities pilot managed EV charging to determine the most effective approach at mitigating the impact of EV charging on system peak. Consistent with the Study, the 2021 Plan was developed based on managing EV load throughout the 2021 to 2034 period.

³ See the *2021 Electrification, Conservation and Demand Management Application, Volume 1, Evidence*, page 10.