

- 1 **Q. (Reference CA-NP-033(b)) Newfoundland Power again states *Customer CDM and***  
2 ***electrification programs are complementary. As customers’ energy usage increases***  
3 ***through electrification, it becomes increasingly important to manage impacts on system***  
4 ***peak and related system costs through CDM. Both CDM and electrification programs***  
5 ***result in lower overall costs for customers.***
- 6 **(a) Newfoundland Power’s statement emphasizes the importance of CDM**  
7 **programs to manage impacts of electrification on system peak. Does**  
8 **Newfoundland Power agree with this interpretation of its statement?**
- 9 **(b) To the extent that CDM programs reduce energy consumption, how can**  
10 **increased energy consumption due to electrification and decreased energy**  
11 **consumption due to CDM be complementary?**
- 12
- 13 **A. (a) Newfoundland Power agrees that CDM programs are an important means of**  
14 **managing system peak. The Company’s CDM programs are forecast to result in a**  
15 **peak demand reduction of approximately 70 MW by 2025.<sup>1</sup>**
- 16
- 17 **(b) Both CDM and electrification programs reduce overall costs to customers.<sup>2</sup> CDM**  
18 **programs result in bill savings for participating customers and lower system costs**  
19 **for all customers. Electrification programs result in fuel and maintenance savings**  
20 **for participating customers and rate mitigating benefits for all customers.**
- 21
- 22 The complementary nature of CDM and electrification programs was recognized  
23 by the Board in its Final Report as part of the reference on Muskrat Falls Project  
24 rate mitigation. In its report, the Board stated:
- 25
- 26 *“[M]aximizing domestic load through electrification, improving energy*  
27 *efficiency and using demand response to reduce peak and allow for*  
28 *increased export sales leads to the best outcomes for customers.”<sup>3</sup>*

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<sup>1</sup> See the 2022/2023 General Rate Application, Volume 1, Application, Company Evidence and Exhibits, Section 2: Customer Operations, page 2-15, lines 15-16.

<sup>2</sup> Ibid., page 2-11, lines 1-2.

<sup>3</sup> See Reference to the Board: Rate Mitigation Options and Impacts, Muskrat Falls Project – Final Report, February 7, 2020, page iii.