

1 **Q. Reference: “2022/2023 General Rate Application,” Newfoundland Power, May 27,**
2 **2021, Volume 2, Section 3.**

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4 **Please provide Newfoundland Power’s assumptions related to non-electric**
5 **customers and electric customers used in the development of Newfoundland Power’s**
6 **assumptions regarding heat pumps.**

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8 A. Newfoundland Power’s forecast assumes all heat pump installations will be made by
9 electric customers.¹ This is based on Newfoundland Power’s assessment of the number
10 of non-electric and electric customers that would install heat pumps in the future. The
11 Company concluded that the number of non-electric customers installing a heat pump
12 would be minimal. This conclusion is based on Dunsky Energy Consulting’s *2020-2034*
13 *Potential Study* (the “Study”).²

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15 The Study found that customer economics do not favour fuel switching from oil or wood-
16 fired space heating, even when the electric systems are high efficiency heat pumps.³

¹ Newfoundland Power’s “electric” customers are those which rely on electricity as their primary source of space heating. The Company’s “non-electric” customers are those who do not rely on electricity as their primary source of space heating. This includes customers who use oil, wood, or other forms of heating.

² The Study was part of a joint initiative by Newfoundland Power and Newfoundland and Labrador Hydro to identify the theoretical potential for electrification, conservation and demand management in the province, as well as a practical means through which that potential could be achieved. The Study was filed in Volume 2 of Newfoundland Power’s *2021 Electrification, Conservation and Demand Management Application*.

³ See Newfoundland Power’s *2021 Electrification, Conservation and Demand Management Application, Volume 2, Schedule C*, pages 27 to 28.