

2020 Capital Budget Application Technical Conference – Digital Engagement Initiative

Presentation to the Board of Commissioners of Public Utilities

November 20, 2019



2018 Digital Engagement Initiative

- Newfoundland and Labrador Hydro's ("Hydro") 2018 Reliability and Resource Adequacy Study
 - Customer and Stakeholder Engagement
 - Carried out in August/September 2018
 - Input gathered from 2,070 customers aligned with provincial population distribution

Customer Input

- Asked customers how they feel about the current reliability of their power supply and their opinions on system investment

Results

- Overall, respondents indicated that they believe the power system is reliable; however, they do not want an increased frequency of outages

Results (continued)

- Customers are cost-sensitive and would prefer that investments be made cautiously, favouring an approach that involves good reliability with a lower impact on cost.
- Fewer respondents were in favour of an investment strategy that, while offering the best reliability, would mean a higher impact on electricity rates

Next Steps

- Address the Value of Lost Load (“VOLL”)
 - Hydro will engage an external consultant with expertise in this area and a strong background in economics.
 - The consultant must have sufficient experience and expertise to develop, execute, and analyze the results of the VOLL to successfully fulfill the engagement
 - Hydro expects to issue a Request for Proposals to (“RFP”) to engage an external entity in first quarter of 2020

Next Steps (continued)

- Hydro will share the project scope and schedule with the Board for the execution of this work.
- Hydro anticipates including its findings in the 2020 annual update to the 2018 Reliability and Resource Adequacy Study

Additional Reference Material

- 2018 Reliability and Resource Adequacy Study
 - Planning for Today, Tomorrow, and the Future (R&RA Study and nlhydro.com)
 - What We Heard report (nlhydro.com)
 - R&RA Attachment 3 – 2018 Digital Engagement Initiative Summary Report

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