

1 **Q. At page 7 of the Navigant Report it is stated, "Navigant does not expect that an**
2 **overall subscription limit for the Net Metering program as a whole is required for**
3 **NL given the policy objective and provincial context". However, the Net Metering**
4 **Exemption Order does limit the subscription to 5 MW. Does Newfoundland Power**
5 **know why the NL Government imposed a subscription limit, despite the Navigant**
6 **Report? Did Newfoundland Power make any recommendation to Government to**
7 **impose the 5 MW subscription limit?**

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9 A. Newfoundland Power did not make a recommendation to the Government to impose a 5
10 MW subscription limit. However, Newfoundland Power considers the 5 MW
11 subscription limit to be reasonable and consistent with sound public utility practice in
12 Canada.

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14 Subscription limits for net metering programs are common. In Canada, Nova Scotia and
15 New Brunswick have set a net metering subscription limit of 0.5% of historic peak, while
16 in Ontario the limit in MW represented 1.0% of provincial capacity in 2006.
17 Subscription limits were found to be more common in the US jurisdictions reviewed in
18 the Navigant Report.¹

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20 A subscription limit provides a back stop against potential high take-up rates that could
21 present material cost risk including the cost risk to those customers that do not avail of
22 the net metering option. This risk is more fully explained in Section D.5, Regulatory
23 Assessment, of the Company's Evidence.

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25 The subscription limit of 5 MW on net metering generation in the Province appears to be
26 reasonable to Newfoundland Power. It represents approximately 0.5% of Newfoundland
27 Power's 2015-16 peak load and based on typical sizes of net metering installations,
28 would allow for between 667 and 1,000 customers in the Province.² By comparison,
29 Nova Scotia Power's net metering program has been in place since 2005 and has total
30 capacity of 1.7 MW, or approximately 0.1% of its 2015 peak demand. As of
31 December 31, 2015 Nova Scotia Power had a total of 234 installed net metered customer
32 generation units.³

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34 The Provincial Government's Net Metering Policy Framework (the "Framework")
35 indicates that "Government, in consultation with the utilities and the PUB will monitor
36 the response to net metering and may adjust the overall capacity limit in the future if the
37 level of uptake warrants it."⁴ As indicated in the framework, Newfoundland Power will
38 consult with Government with respect to appropriate adjustments to the subscription
39 limit.

¹ See pre-filed Evidence, Exhibit 1: *Navigant Net Metering Standard Industry Practices Study*, Pages 26-27.

² See pre-filed Evidence, Page 15, Lines 1-5.

³ See pre-filed Evidence, Page 14, Footnote 35.

⁴ See pre-filed Evidence, Exhibit 2: *Net Metering Policy Framework*, Page 6, Section 3.5.