

1 **Q. Did NP participate in Hydro’s Digital Engagement Initiative? If not, why not? Have**  
2 **the results of the Digital Engagement Initiative been incorporated in NP’s 2021**  
3 **Capital Budget Application?**

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5 A. The results of Hydro’s digital engagement initiative have not been incorporated in  
6 Newfoundland Power’s *2021 Capital Budget Application*.

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8 Hydro consulted with Newfoundland Power and other stakeholders with regard to its  
9 digital engagement initiative. The results of Hydro’s digital engagement initiative were  
10 reviewed by the Board’s consultant, The Liberty Consulting Group (“Liberty”). In its  
11 review, Liberty stated:

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13 *“Hydro surveyed customers to understand their preferences between reliability and*  
14 *cost. The results, while interesting, do not provide substantial guidance in analyzing*  
15 *specific tradeoffs between cost and reliability here. Decisions like Holyrood’s future,*  
16 *or any other post-LCP investment, should follow an explicit balancing of the cost of*  
17 *reliability improvements and the value to electricity customers of the reduced risk of*  
18 *power outages. Quantifying the value of lost load to customers comprises a central*  
19 *element of such an analysis, particularly with respect to issues like mitigating the*  
20 *effects of extended LIL bipole unavailability.”*<sup>1</sup>

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22 Hydro indicates that efforts regarding its digital engagement initiatives will continue in  
23 2020.<sup>2</sup>

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25 Newfoundland Power’s *2021 Capital Budget Application* incorporates the findings of its  
26 own customer engagement initiatives. For more information, see response to Request for  
27 Information CA-NP-008.

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<sup>1</sup> See Liberty’s *Review of Newfoundland and Labrador Hydro’s Reliability and Resource Adequacy Study*, August 19, 2019, page 13, filed with the Board in relation to Hydro’s *Reliability and Resource Adequacy Study* review.

<sup>2</sup> Hydro’s plans to move forward with the portion of stakeholder engagement focused specifically on the Value of Lost Load (“VOLL”). Hydro also indicated that the findings of its updated modelling of the Labrador-Island Link (“LIL”) reliability should inform the requirements for such a study and that the modelling results will help ensure development of appropriate questions with respect to customers’ willingness to pay for increased system reliability. See Hydro’s February 25, 2020 letter *Re – Reliability and Resource Adequacy Study – Update of Ongoing Work*, filed in relation to Hydro’s Reliability and Resource Adequacy Study proceeding.