

1 **Q. (Reference Application, 2025 – 2029 Capital Plan, page 1) In reference to a**  
 2 **forecast decline in the number of new customer connections, it is stated**  
 3 **“system load growth driven by residential development in urban areas,**  
 4 **electrification of heating systems, and electric vehicle adoption is forecast to**  
 5 **offset this decline.” How, and to what extent, will this system load growth be**  
 6 **offset by conversions from baseboard heating to heat pumps, rate design and**  
 7 **behind-the-meter generation?**

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 9 A. Newfoundland Power estimates that the continued adoption of heat pumps will reduce  
 10 residential energy consumption and peak demand by 15 GWh and 3.5 MW in 2025 and  
 11 by 7 GWh and 1.6 MW on an annual basis from 2026 to 2029.

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 13 Newfoundland Power is currently completing a Rate Design Review.<sup>1</sup> The purpose of the  
 14 Rate Design Review is to: (i) review existing Domestic and General Service Rate  
 15 Designs; (ii) review potential alternative rate designs in consideration of the integration  
 16 of the Muskrat Falls Project and interconnection to the North American grid;  
 17 (iii) evaluate the impact of alternative rate designs on Newfoundland Power’s customers,  
 18 including the cost of implementation, billing impacts, and customer acceptance; and  
 19 (iv) consider whether the rate designs should be mandatory or optional. Since the Rate  
 20 Design Review is not complete, Newfoundland Power cannot yet estimate the impact  
 21 that future changes in rate designs would have on Newfoundland Power’s customer  
 22 load.

23  
 24 Newfoundland Power’s Net Metering Service Option provides customers with the ability  
 25 to generate electricity to offset their own consumption.<sup>2</sup> Customer participation in the  
 26 Net Metering Service Option has been modest since its introduction.<sup>3</sup> In addition, there  
 27 is a provincial subscription limit of 5 MW for all net metering customers’ generating  
 28 facilities that are a part of the net metering program.<sup>4</sup> As a result, the Company does  
 29 not currently consider customer generation to be a factor that will greatly influence the  
 30 Company’s load requirements.

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1 Newfoundland Power submitted its *Load Research and Rate Design Framework* to the Board on  
 December 30, 2022, and has provided subsequent updates to all stakeholders.

2 Newfoundland Power’s Net Metering Service Option is based on the principles outlined in the  
 Provincial Government’s Net Metering Policy Framework which was released in July 2015 (the “Net  
 Metering Policy Framework”).

3 As of December 31, 2023, Newfoundland Power had 44 Net Metering Service Option projects, totaling  
 473.9 kW of generation capacity and 123,506 kWh of energy delivered to Newfoundland Power. This  
 represents approximately 0.03% of Newfoundland Power’s peak demand and approximately 0.002%  
 of the Company’s annual energy sales.

4 See the *Net Metering Policy Framework*, Section 3.5, page 5.