**Section 1: Introduction**

**Q. (Section 1, page 1-1) Newfoundland Power-owned generation:**

**a) Has Newfoundland Power considered adding to its generation fleet? What would prevent Newfoundland Power from doing so?**

**b) Aside from the Net Metering Option, does Newfoundland Power promote development of generation by its customers? For example, does Newfoundland Power have documentation on its website that explains costs, benefits and requirements associated with a customer, or a developer on behalf of a customer, developing solar, wind, small hydro or battery storage to offset electricity costs for a General Service customer or perhaps a new or existing subdivision?**

**c) Has Newfoundland Power done any promotional work relating to "prosumers" described as (see the chapter from The Palgrave Handbook of International Energy Economics titled *Integration of Non-Dispatchable Renewables*, first online May 28, 2022, by Marco Baroni) *"These producers are often connected to mid- or low-voltage levels grids (distribution grids), generally closer to demand centres, and are often consumers of electricity themselves."* Baroni goes on to say "*The main change introduced by prosumers is their number, scale and diffusion. This is already having an important impact on transmission and distribution grids, and is expected to change the way that transmission system operators (TSO) and distribution system operators (DSO) function and interact, including the possibility for DSOs to provide flexibility services to the system through the aggregation of small active actors (TSO–DSO 2019)."* Why, or why not?**

A. a) Newfoundland & Labrador Hydro has exclusive rights to the development of new generation on the island portion of the province as outlined in the *Electrical Power Control Act, 1994,* with the exception of facilities used in emergency circumstances.[1] Newfoundland Power does consider upgrades to its existing plant outputs as part of generation refurbishment projects should it be deemed economically viable to do so.[2]

The Company's most recent addition to its generation fleet occurred in 2019 through the addition of a mobile gas turbine ("MG2") which was approved as part of Newfoundland Power's *2018 Capital Budget Application*.[3] This addition was justified on the basis of an identified need to replace a pre-existing mobile gas turbine ("MGT") that was approaching end of life.

Newfoundland Power has also recently engaged a consultant to consider options for its Wesleyville, Greenhill, and Port-Aux-Basques thermal units. The Company is coordinating with Newfoundland & Labrador Hydro on this work to ensure these

[1] See section 14.1 of the *Electrical Power Control Act, 1994* (the "EPCA").

[2] For example, in 2021 and 2023, the Company completed capital projects at the Topsail and Sandy Brook hydro generating stations to replace the penstocks that resulted in a net annual production increase of 1.9 GWh. See Board Order No. P.U. 37 (2020) regarding the approval of the replacement of the penstock at the Topsail hydro plant. See Board Order No. P.U. 36 (2021) regarding the approval of the replacement of the penstock at the Sandy Brook hydro plant.

[3] See Board Order No. P.U. 37 (2017).

facilities contribute to overall backup generation requirements on the island, while continuing to provide local reliability benefits to customers in each of these locations.

b) Newfoundland Power's promotion of customer-owned generation is done exclusively through its Net Metering Service Option. Provincial legislation provides an exemption from the EPCA that permits up to a cumulative total of 5 megawatts of customer-owned generation by all customers availing of the Net Metering Service Option.[4] Documentation with respect to costs, benefits, and connection requirements associated with customer-owned generation can be found on the Newfoundland Power Net Metering Service Option website.[5]

c) Customers availing of Newfoundland Power's Net Metering Service Option meet the definition of "prosumers" as defined in The Palgrave Handbook of International Energy Economics chapter titled "*Integration of Non-Dispatchable Renewables,*" by Marco Baroni. Specifically, customers availing of Newfoundland Power's Net Metering Service Option are both producers and consumers of electricity and connected to the Company's distribution grid. Newfoundland Power's promotion of its Net Metering Service Option can be found on the Company website, as described in part b).

[4] See the *Net Metering Exemption Order,* dated July 28, 2015.
[5] See also Attachment A of the response to Request for Information CA-NP-122.