

1 **Section 5: Customer Rates**

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3 **Q. (Section 5, page 5-6) What is Newfoundland Power doing to improve its system load**
4 **factor? What options are available to Newfoundland Power to improve its load**
5 **factor, and what benefit would be derived from doing so?**

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7 A. Load factor is defined as the average load divided by the peak load in a specified time
8 period. A system with a lower load factor implies that peak demand is higher relative to
9 average demand compared to a system with a higher load factor. As a result, load factor
10 can be improved by lowering peak demand.

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12 Newfoundland Power is forecast to achieve peak demand savings of 68 MW by 2025
13 through implementation of conservation demand management (“CDM”)¹. Additionally,
14 the Company has increased the level of peak reduction that can be achieved through its
15 Curtailable Service Option² and exercises conservation voltage reduction when required
16 to lower peak demand. For further details on Newfoundland Power’s demand
17 management activities, see the Response to Request for Information PUB-NP-074.

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19 The Company also considers demand management for new sources of significant
20 electrical load. Newfoundland Power is in discussions with Memorial University on a
21 capacity assistance agreement associated with its electric boilers. Furthermore, the
22 Company has initiated an *EV Load Management Pilot* program to investigate approaches
23 to managing the load of electric vehicle charging. For more information on the *EV Load*
24 *Management Pilot* see the response to Request for Information PUB-NP-054.

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26 Future customer demand management programs will be informed by the next joint-utility
27 potential study. Newfoundland Power and Newfoundland and Labrador Hydro (“Hydro”)
28 are working with Posterity Group, an economic and engineering consulting firm, to
29 conduct a potential study that will examine opportunities for electrification, demand
30 response, and energy efficiency for the Island Interconnected System. The study is
31 expected to be completed in the third quarter of 2024. The findings, along with the results
32 of the *EV Load Management Pilot* and other supplementary research, will inform the
33 initiatives, programs and pilots included in the utilities’ next multi-year plan.

¹ 68 MW represents 4.6% of Newfoundland Power’s forecast peak in 2025.

² In the Winter season of 2013-14, Newfoundland Power had 17 customers enrolled in the Curtailable Service Option and achieved an average curtailed load of 7.5 MW per event. In the most recent full Winter season (2022-23), Newfoundland Power had 23 customers enrolled in the Curtailable Service Option and achieved an average curtailed load of 12.4 MW per event.