

- 1 **Q. (Reference CA-NP-006)**
 2 a) Please explain why in Table 3 the annual system cost savings in 2020, 2021 and
 3 2022 are lower than in 2019.
 4 b) Please revise Table 3 by including 2023, 2024F, 2025F and 2026F.
 5 c) Do the cost-savings referred to in the response to CA-NP-006 have any impact
 6 on Newfoundland Power's operating costs? If so, please indicate by how much
 7 for each year in the requested revised Table 3.
 8
 9 A. a) Annual system cost savings in a given year are a combination of the energy and
 10 demand savings in the year as well as the marginal costs in those years. The marginal
 11 costs used to calculate the 2019 savings were higher than the marginal costs used to
 12 calculate savings in the other years.¹
 13
 14 b) Table 1 provides Table 3 from Request for Information CA-NP-006, including 2023,
 15 2024F, 2025F and 2026F.

Table 1
Reduced System Costs from CDM Programs
2009-2026F
(\$000s)

Year	Reduced System Costs
2009	369
2010	1,393
2011	4,140
2012	6,110
2013	6,899
2014	9,764
2015	8,790
2016	8,776
2017	15,213
2018	21,310
2019	26,178
2020	25,683
2021	20,650
2022	24,386
2023	34,581
2024F	30,665
2025F	23,534
2026F	22,292
Total	290,733

- 16 c) The savings referred to in the response to Request for Information CA-NP-006 do not
 17 have any impact on the Company's operating costs. The savings represent avoided

¹ For example, the marginal cost of energy in 2019 as provided by Newfoundland and Labrador Hydro was 15.3 cents per kWh, whereas the marginal cost of energy used to calculate the benefits in 2022 ranged from 2.8 cents per kWh in the non-winter period to 7.7 cents per kWh in the winter on-peak period (see response to Request for Information CA-NP-006, Attachment A).

- 1 energy supply costs that would have otherwise been incurred if conservation and
- 2 demand management programs were not in place.