

1 **Q. Further to the response to PUB-NP-081, do the test year forecasts reflect the recent**
2 **government initiatives to increase the number of affordable housing units? If not,**
3 **please quantify, if possible, the additional housing starts and additional sales**
4 **expected for this initiative for the forecast 2025 and 2026 test years.**
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6 A. In the fourth quarter of 2023 and first quarter of 2024, details were released related to the
7 Government of Newfoundland and Labrador's *Affordable Rental Housing Program*¹ and
8 *Five-Point Plan to Improve Availability of Housing That is Affordable*,² as well as the
9 Government of Canada's *Housing Accelerator Fund* investments in the Cities of
10 St. John's and Mount Pearl.³ Combined, these initiatives could result in an estimated
11 1,882 new housing starts in Newfoundland and Labrador by 2027 at the earliest.⁴
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13 Newfoundland Power's forecast of customer growth/connections is based on the
14 Conference Board of Canada's ("CBOC") forecast of housing starts and completions
15 from its medium-term outlook, dated August 2023. As the government initiatives were
16 announced after this date, the Company does not expect these initiatives were included in
17 CBOC's forecast of housing starts.
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19 The exact timing of the housing starts associated with the government initiatives were not
20 provided in the announcements. As such, Newfoundland Power cannot quantify the
21 additional housing starts to occur over the forecast period.
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23 While the impact on the 2025 and 2026 forecast years is also uncertain, the Company
24 estimates the initiatives could add roughly 10 GWh to the 2025 sales forecast and
25 20 GWh to the 2026 sales forecast.⁵

¹ In November 2023, it was announced that this included an investment of over \$80 million for 922 new affordable rental housing homes throughout the province.

² In October 2023, it was announced that the Five-Point Plan will employ targeted actions valued at more than \$65 million. This plan is anticipated to result in upwards of 500 new housing options in the province.

³ In February and March 2024, combined investments of \$16.5 million were announced under this fund and are anticipated to result in upwards of 460 new housing options in the province over the next three years.

⁴ See footnote 3. Timelines for the Government of Newfoundland and Labrador's *Affordable Rental Housing Program* and its *Five-Point Plan to Improve Availability of Housing That is Affordable* are not known, however, given the size of the investment, along with the timelines associated with the Government of Canada's *Housing Accelerator Fund* investments, the housing completions may occur over several years.

⁵ Based on the following assumptions: (i) housing construction occurs evenly over the government fiscal years April 1, 2024 to March 31, 2027; and (ii) an average annual use of approximately 15,000 kWh per unit.