

Reference on Rate Mitigation Options and Impacts

Public Hearing

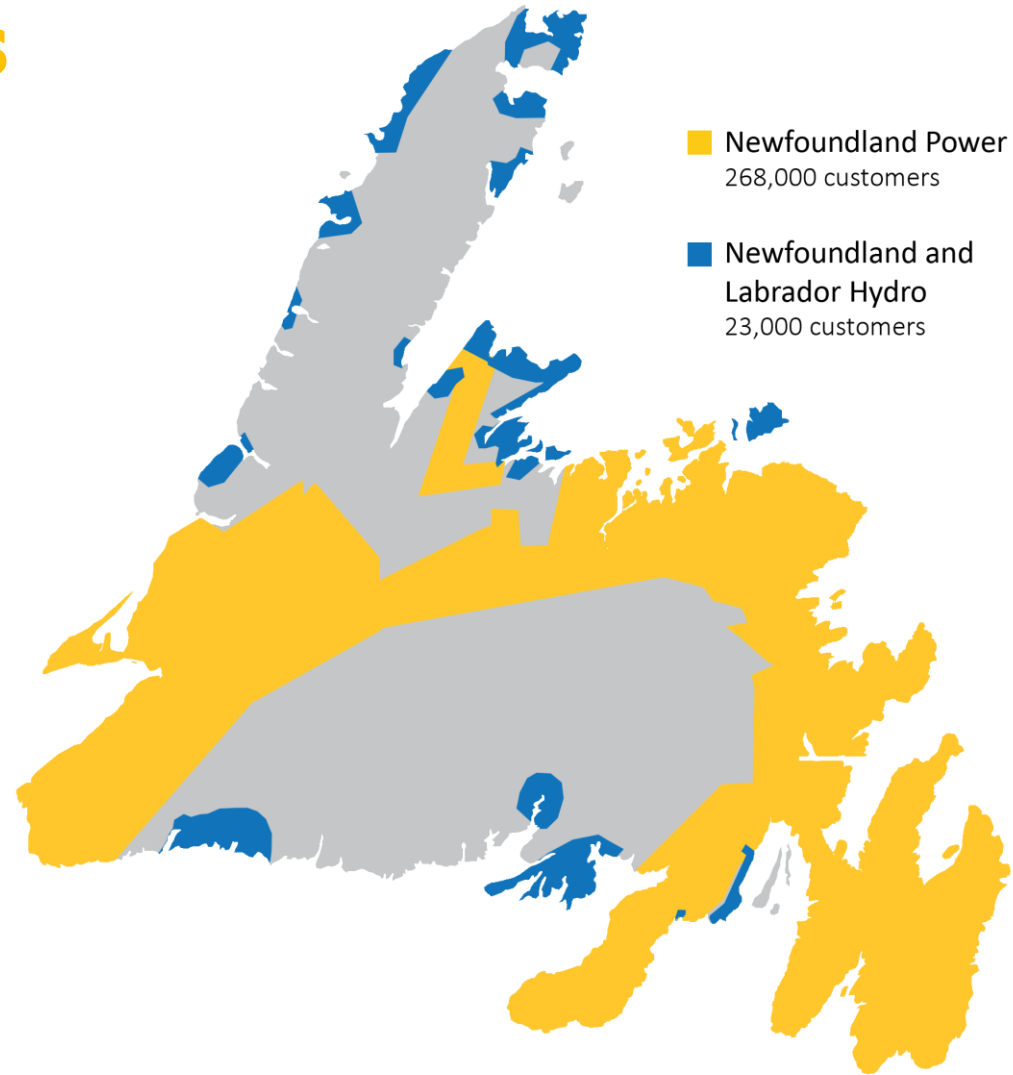
Presentation by Newfoundland Power

October 2019

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We'll be there.



Our Customers



Looking Ahead

- Short term vs. long term
- Looking beyond project completion
- Newfoundland Power's perspective

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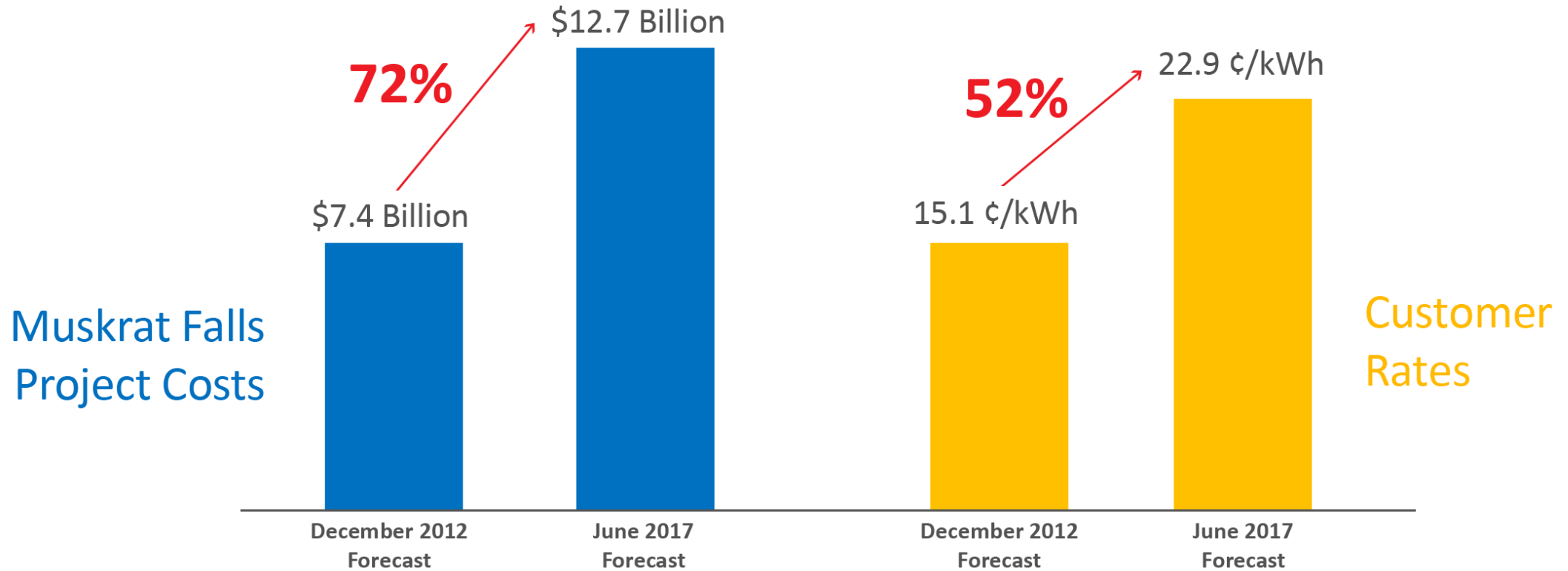
Byron Chubbs

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Muskrat Falls Increases



Newfoundland Power's 2018 Observations

- Delay, defer, or limit Muskrat Falls Project cost recovery
- Credit Nalcor electricity export revenue against customer rates
- Develop new electricity markets within the province

Note: Taken from response to Request for Information PUB-NP-012, Newfoundland Power 2019/2020 General Rate Application

Liberty's Observations

- Financial mitigation opportunities
- Improve efficiency of Nalcor utilities
- Reasonable options identified

Future of the Electricity Sector

- Short-term vs. long-term perspectives
- Potential longer-term customer benefits
- Merits more detailed examination by Government

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Krista Langthorne

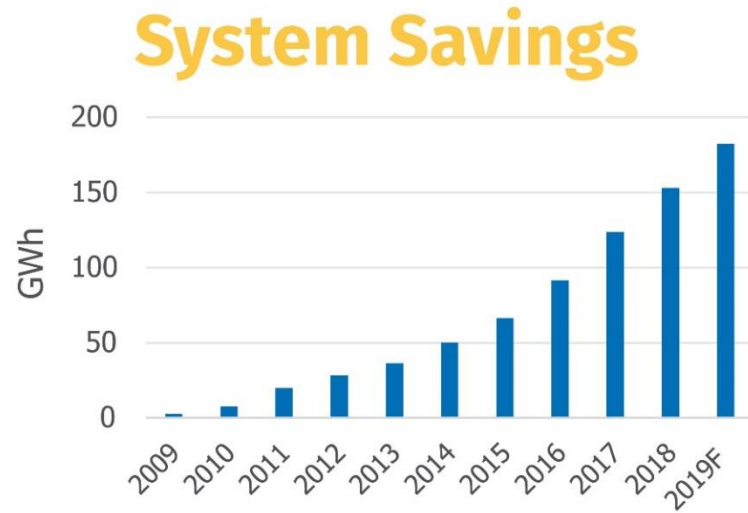
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Customer Conservation

Almost
3 Million
instant rebates provided
to customers



Over
2 Million
visits to TakeChargeNL.ca



Over
\$74 million
in fuel savings from Holyrood



Customers
saved almost
\$60 Million
on their electricity bills

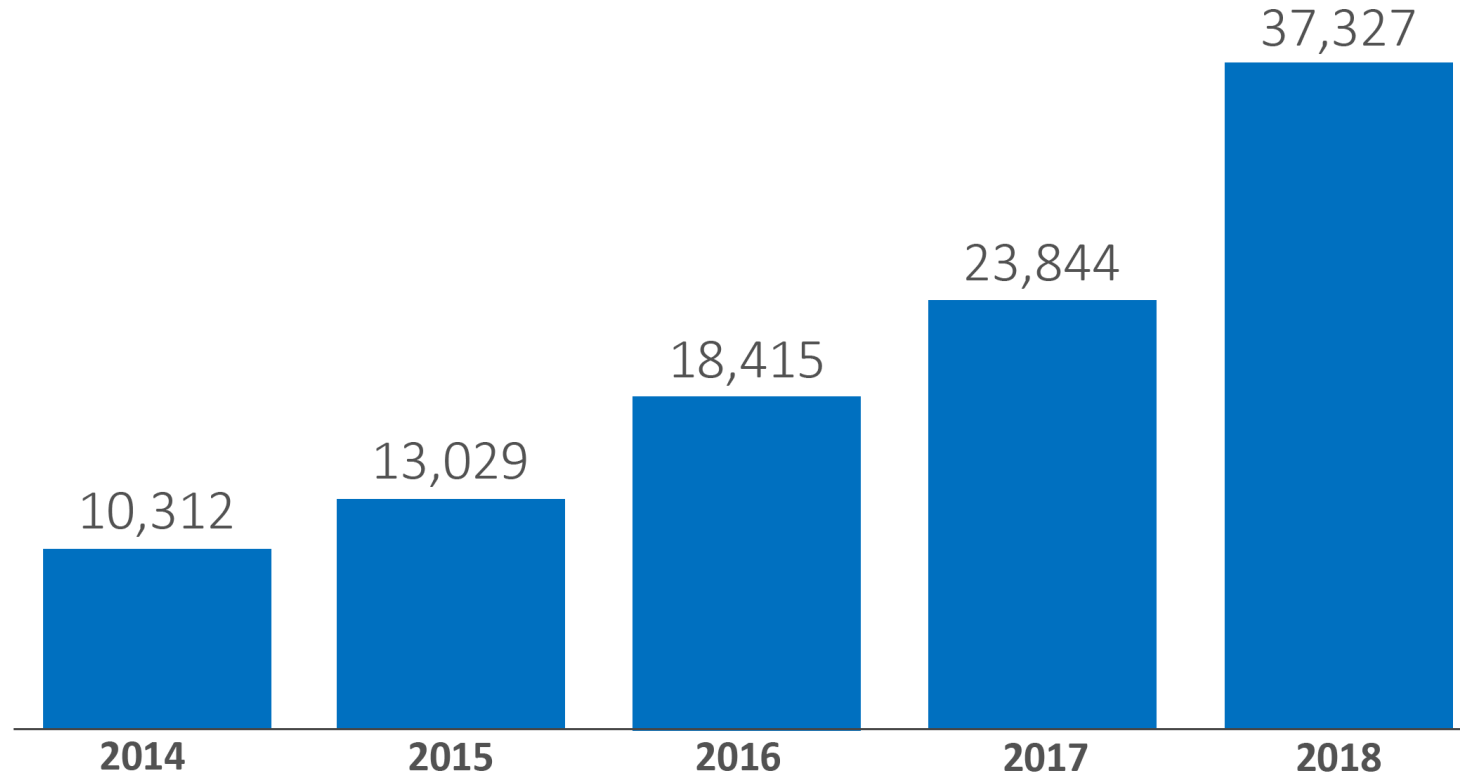


Over
**2,000
Business**
customers have participated



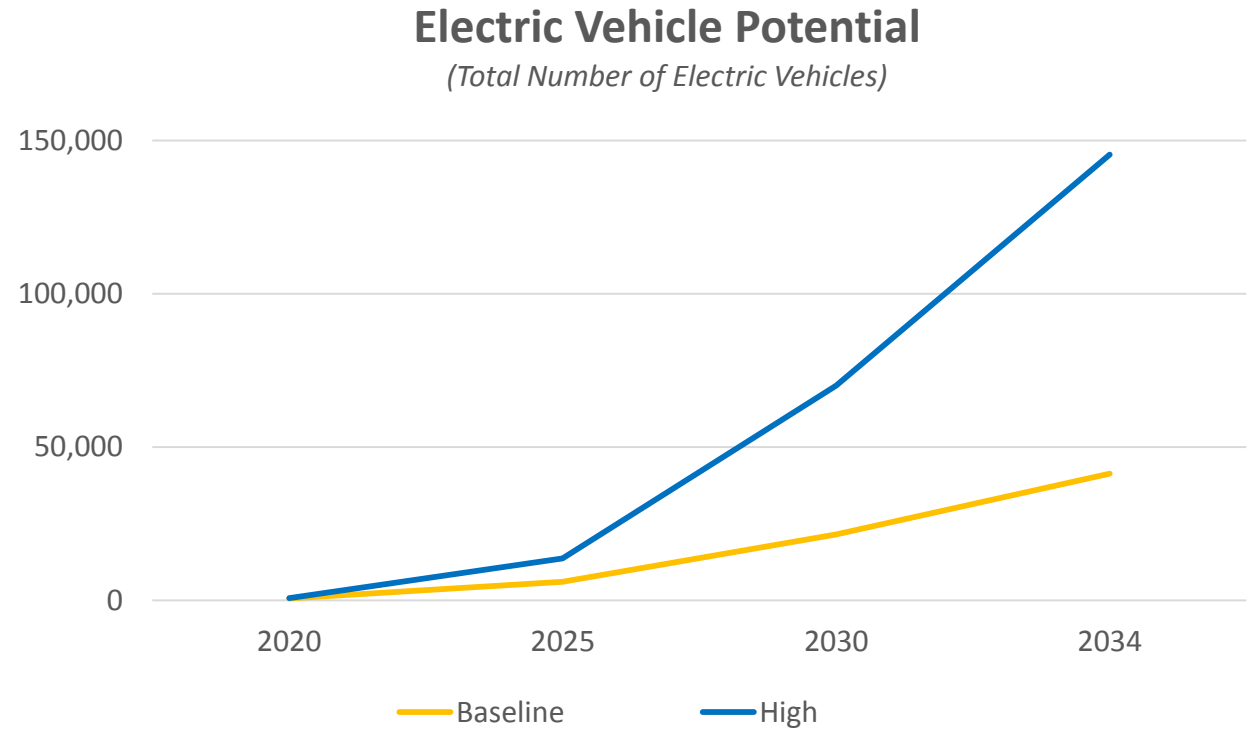
Customer Response to Muskrat Falls

Residential Heat Pump Penetration
(Number of Customers)



Market Assessment: Post Muskrat Falls

- Conservation potential
- Electrification potential
- Full study filed in the Reference



Evolving Use of Electricity

- Electric vehicles
- Electric heating technologies
- Time-of-use rate potential

Potential Annual Customer Benefit of Each Electric Vehicle

Potential EV Benefit

$$5,000 \text{ kWh} \times \$0.135/\text{kWh} = \$675$$

Potential Export Benefit

$$5,000 \text{ kWh} \times \$0.029/\text{kWh} = \$145$$

Potential EV Benefit vs. Export Benefit

$$\$675 - \$145 = \$530$$

Total Benefit Over the Life of the Vehicle = \$3,900

Synapse's Observations

- Electrification has the largest rate mitigation potential
- Conservation has the largest customer bill reduction potential
- Further study is indicated for time-of-use rates

Customer Perspective

- Changing behaviour takes time
- Customer education is key

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Peter Alteen

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Public Policy Considerations

- Protecting the customer interest in the medium/long-term
- Newfoundland Power thinks oversight makes sense
- There are choices in how to provide oversight
- May require change to regulatory framework

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