



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

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2021-01-27

Kelly Hopkins
Corporate Counsel
Newfoundland Power Inc.
55 Kenmount Road, P.O. Box 8910
St. John's, NL A1B 3P6


Dear Ms. Hopkins:

Re: Newfoundland Power Inc. - 2021 Electrification, Conservation and Demand Management Application - Requests for Information

Enclosed are Requests for Information PUB-NP-001 to PUB-NP-031 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or telephone (709) 726-6781.

Yours truly,


Cheryl Blundon
Board Secretary

CB/cj
Enclosure

ecc **Newfoundland Power Inc.**
NP Regulatory, E-mail: regulatory@newfoundlandpower.com
Newfoundland & Labrador Hydro
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1 **IN THE MATTER OF** the *Public*
2 *Utilities Act*, (the “Act”); and

3
4 **IN THE MATTER OF** an application by
5 Newfoundland Power Inc. for the approval of an
6 economic test and a deferral account to provide
7 for recovery of costs proposed to be incurred in
8 2021 for customer electrification programs,
9 pursuant to sections 58 and 80 of the *Act*; and

10
11 **IN THE MATTER OF** an application by
12 Newfoundland Power Inc. for the approval of
13 supplemental 2021 capital expenditures related
14 to the construction of an Electric Vehicle Charging
15 Network, pursuant to section 41(3) of the *Act*.

**PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION**

PUB-NP-001 to PUB-NP-031

Issued: January 27, 2021

- 1 **PUB-NP-001** Please confirm that Newfoundland Power intends to apply for approval to
2 include all assets in the electric vehicle charging network (“EV Assets”) in its
3 regulated rate base. Please explain the rationale for Newfoundland Power’s
4 intention to treat its EV Assets differently than approved for Hydro in Order
5 No. P.U. 7(2020).
6
- 7 **PUB-NP-002** Further to PUB-NP-001, please explain why Newfoundland Power would
8 apply for approval to include assets in regulated rate base if the associated rate
9 for the use of the assets and the recovery of the costs will not be regulated?
10 Please explain why this treatment of assets is appropriate and if it is in
11 keeping with sound utility practice.
12
- 13 **PUB-NP-003** Further to PUB-NP-001 and PUB-NP-002, should Hydro’s EV Assets be
14 treated in the same manner as Newfoundland Power intends to apply for
15 approval of, i.e. be included in regulated rate base, from a regulation
16 perspective? If the EV Assets of both utilities are not treated similarly, does
17 this have any impact on the electrification benefits?
18
- 19 **PUB-NP-004** Please confirm that Newfoundland Power intends to apply for approval to
20 include the Electrification Cost Deferral Account in its regulated rate base.
21
- 22 **PUB-NP-005** Would a Board order declining to allow the EV Assets, the Electrification
23 Cost Deferral Account, or recovery of a portion of the program costs (eg.
24 rebates/incentives) in rate base affect Newfoundland Power’s approach and
25 proposals to EV electrification?
26
- 27 **PUB-NP-006** Please provide the rationale for a utility to be funding program costs for
28 electrification and requesting recovery of these costs from all ratepayers.
29
- 30 **PUB-NP-007** Please confirm that Newfoundland Power is proposing that all funds,
31 including government funding related to electrification programs and revenues
32 associated with the operation of Newfoundland Power owned charging
33 stations, will be used to offset the cost of electrification programs and the cost
34 to operate the charging stations.
35
- 36 **PUB-NP-008** Table 5, page 16 of 25 indicates electrification program costs for 2021 to
37 2025. Please provide a breakdown by dollar value for each program, including
38 the estimated dollar value of rebates forecast for each program, for each of the
39 years.
40
- 41 **PUB-NP-009** On page 1 of 25, line 9, Newfoundland Power states that the NPV analysis
42 confirms that the planned electrification programs will provide rate mitigating
43 benefits to customers over the long term. Please expand on this statement, and
44 if possible provide the impact on rates in the short term, particularly for the
45 period 2021 and 2025.
46

- 1 **PUB-NP-010** The customer electrification program for commercial customers proposes to
 2 provide individualized incentives to help commercial customers replace a
 3 range of fossil-fuel technologies with equivalent electric technologies.
 4
- 5 (a) Is Newfoundland Power proposing to provide incentives to institutions
 6 such as MUN to implement electric technologies?
 7
- 8 (b) Would this program apply to larger commercial customers – General
 9 Service, Industrial?
 10
- 11 **PUB-NP-011** Was the possible electrification at MUN or other government buildings, as
 12 discussed during the Rate Mitigation Review, considered during the
 13 consultations with the Provincial Government? If so, is there anything
 14 factored into the 2021-2025 Plan for the impact of this electrification? If not,
 15 why has this not been considered in the 2021-2025 Plan?
 16
- 17 **EV Charging Network – Exhibit 2**
 18
- 19 **PUB-NP-012** On page 6, Newfoundland Power notes that it has applied for \$550,000 in
 20 federal funding for the construction of the EV Charging Network for 2021,
 21 and if approved it will reduce the overall capital costs borne by customers.
 22 Footnote 22 on the same page indicates that the Utilities have applied for \$1
 23 million in funding to install 19 charging sites. Does this mean that Hydro will
 24 receive the remaining \$450,000 of this funding and will also be constructing 9
 25 additional EV charging sites (not including the 14 sites previously approved
 26 by the Board) in the province during 2021?
 27
- 28 **PUB-NP-013** On page 6, Newfoundland Power notes that it plans to pursue additional third-
 29 party funding opportunities to reduce customer costs in future years. Please
 30 advise of third-party funding opportunities, other than the federal government
 31 funding for which Newfoundland Power has already applied, available for
 32 these types of programs/initiatives?
 33
- 34 **PUB-NP-014** On page 7, footnote 26, Newfoundland Power notes that the incremental cost
 35 in 2021 to install Level 2 chargers is approximately \$50,000 (\$5,000 per unit),
 36 and the installation of these units at the sites is contingent upon the approval
 37 of federal funding. Is this \$50,000 part of the \$550,000 that Newfoundland
 38 Power has already applied for or is it from a separate funding application?
 39
- 40 **PUB-NP-015** Further to PUB-NP-014, please confirm that it is Newfoundland Power’s
 41 intention that it will not install the Level 2 chargers if the federal funding is
 42 not approved, and as a result the supplemental 2021 capital expenditures of
 43 \$1.538 million will be reduced by \$50,000.
 44
- 45 **PUB-NP-016** Please provide a map of the Province indicating the locations of the EV
 46 charging stations that Newfoundland Power has included in the 2021-2025
 47 Plan. If possible, also provide a similar map indicating the locations of all EV
 48 charging stations that will be installed by both utilities by the end of 2025.

1 **Exhibit 2, Appendix A – NPV Analysis**

2

3 **PUB-NP-017** Please provide the details of the calculation included in Column F.

4

5 **PUB-NP-018** Is Newfoundland Power proposing a deferral account each year to be
6 amortized over a period of time, similar to the CDM Deferral Account? If so,
7 will there be any changes to the proposed definition of the Deferral Account
8 beyond 2021?
9

10 **PUB-NP-019** How would a lower NPV, for example, breakeven, and the elimination of the
11 rate mitigation benefit impact Newfoundland Power's position on
12 implementation of EV electrification programs?
13

14 **PUB-NP-020** Please show the NPV calculation and analysis if the \$550,000 in funding is
15 approved.
16

17 **PUB-NP-021** Has Newfoundland Power applied for any additional funding for program
18 costs or infrastructure that have not been factored in to the NPV analysis? If
19 so, how much funding has been requested?
20

21 **PUB-NP-022** Column C – Do the annual increases in electricity rates of 2.25% include the
22 impact of any potential rate increases implemented by Hydro during this
23 period?
24

25 **PUB-NP-023** Please confirm if the revenue earned from the EV Assets (\$15.00/hour) is
26 included in Column C of the NPV analysis. If not, please explain why it is not
27 included in the analysis.
28

29 **Takecharge Electrification, CDM Plan 2021-2025 (“The 2021-2025 Plan”)**

30

31 **PUB-NP-024** Page 14, footnote 34. What other types of cost effectiveness testing are other
32 utilities using for electrification programs, and how do they compare to the
33 Modified Total Resource Cost (mTRC) used to evaluate the electrification
34 programs in the 2021-2025 Plan.
35

36 **PUB-NP-025** On page 24, Table 5, the Utility EV infrastructure costs for 2021 are \$2.095
37 million for both utilities. Footnote 68, on page 25 states that supplemental
38 2021 capital expenditures for the utilities are estimated to be approximately
39 \$2.8 million. Please reconcile these amounts.
40

41 **Schedule B – North American Electrification Initiatives**

42

43 **PUB-NP-026** The table of information in Schedule B, along with the footnotes provided,
44 notes that utility investment in EV Assets in New Brunswick, Nova Scotia,
45 and Quebec is unregulated and that rates for EV charging stations in British
46 Columbia are regulated by virtue of an Order in Council.

- 1 (a) Does Newfoundland Power have any additional information relating to
 2 the position of the other provinces regarding the regulation of EV Asset
 3 investment?
 4
- 5 (b) Is Newfoundland Power aware of any jurisdictions where the utility is
 6 allowed to earn a return and recover the cost of the assets but the rate
 7 charged to consumers for the use of the charging stations is not
 8 regulated?
 9

10 **PUB-NP-027** Schedule B, Table B-1, provides information on the jurisdictions that offer
 11 vehicle incentives and EV charger incentives for commercial and residential
 12 rate payers. Of the 43 provinces/states listed in the table, 11 provide vehicle
 13 incentives, however 3 of the 11 (British Columbia, Quebec and New York)
 14 indicate that the incentive is funded by the province/state. Is Newfoundland
 15 Power aware of utilities in any provinces or states that provide vehicle and
 16 charger incentives and if so, is the cost of the incentive program recovered in
 17 rates for all ratepayers?
 18

19 **Schedule D – Electric Vehicle Overview**

20

21 **PUB-NP-028** Figure 1 on page 2 of 5 indicates that the rate of charge for Level 3 chargers is
 22 “up to 140 km of range per hour of charging”, and on page 3 of 5 it notes that
 23 Level 3 chargers provide the fastest rate of charge reaching 80% of a vehicle
 24 range in 30 minutes. Please explain the difference between these two
 25 statements when the average range an EV can travel in a single charge has
 26 grown to 386 km in 2019 (referenced on page 4 of 5).
 27

28 **Schedule F – 2021 Plan Program Descriptions**

29

30 **PUB-NP-029** On page 2 of 33, under Incentive Strategy, it states that the utilities will
 31 provide a rebate for all-electric vehicles and plug-in EVs. According to
 32 footnote 1, this assumes that the current federal incentives for EVs remains in
 33 place for the duration of the 2021 Plan. What action will the utilities take if
 34 the federal incentives do not remain in place?
 35

36 **PUB-NP-030** Schedule F of the Application describes the proposed electrification programs,
 37 including the various rebates that will be offered to customers.
 38


- 39 (a) Please explain how Newfoundland Power determined the amount of the
 40 rebates described in the electrification programs in Schedule F and why
 41 it is considered to be an appropriate amount to be offered as an incentive
 42 for the purchase of EVs.
 43
- 44 (b) Did NP consider whether the amount of the rebate should change over
 45 time to optimize the incentive?
 46
- 47 (c) Has NP considered an end date for the proposed incentive program?
 48

1 **PUB-NP-031** Please provide the detailed calculations of the mTRC test for each of the
2 electrification programs described in Schedule F, including a description of
3 the non-electrical benefits incorporated in the calculation.
4

DATED at St. John's, Newfoundland this 27th day of January, 2021.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per



Cheryl Blundon
Board Secretary