**Q. (Reference Application) If the revenues from the proposed EV charging network were to be less than anticipated and resulted in a loss, then how would Newfoundland Power recover this loss?**

A. All incremental revenues included in Newfoundland Power's net present value ("NPV") analysis are based on retail rates and are not specific to the type of charging (i.e. home charging or public station).[1] If incremental revenues from charging stations were calculated using the $15.00/hour charging rate rather than retail rates, total incremental revenues included in the NPV analysis would be higher.

For example, a vehicle being charged at a 50 kW Level 3 charger would, at most, purchase 50 kWh in one hour (50 kW x 1 hour). At a cost of $15.00/hour, the average price for the energy purchased would be 30 ¢/kWh ($15.00 / 50 kWh), which is higher than current retail energy rates, such as the current domestic energy rate of 12.520 ¢/kWh.

Given the conservative nature of charging station revenue projections, revenue losses associated with Newfoundland Power's charging stations referred to in this Request for Information are not anticipated.

[1] See the *2021 Electrification, Conservation and Demand Management Application*, Volume 1, Exhibit 2, Appendix A, Column C.