

1 **Q. What is the impact of the provincial budget announcement on May 31, 2021 with**
2 **respect to EV rebates and will provincial government funding impact the utility EV**
3 **or charging infrastructure incentives either in terms of cost or effectiveness?**
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5 A. *This Request for Information relates to the Electrification, Conservation and Demand*
6 *Management Plan: 2021-2025 (the “2021 Plan”) developed in partnership by*
7 *Newfoundland Power and Newfoundland and Labrador Hydro (“Hydro” or, collectively,*
8 *the “Utilities”). Accordingly, the response reflects collaboration between the Utilities.*
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10 On May 31, 2021, the Provincial Government published its 2021 budget (the “2021
11 Budget”). The 2021 Budget included a \$0.5 million investment in an *Electric Vehicle*
12 *Adoption Accelerator* program to encourage the purchase of new electric vehicles
13 (“EV”).¹ The program will provide \$2,500 to an individual purchasing a new EV.²
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15 While program details are not known at this time, the investment appears to be finite and
16 thus short-term in nature. For example, the \$0.5 million investment could apply to a
17 maximum of 200 EVs.³ The scope of the program also appears to be limited to new
18 EVs.⁴
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20 Given the investment, scope and timeline of the program, the impact of EV rebates
21 provided under the Provincial Government’s program on the cost effectiveness of the
22 Utilities’ 2021 Plan would be limited. For example, it is estimated that with the program
23 in place, the mTRC test result for the Residential EV & Charging Infrastructure Program
24 could increase from 1.9 to 2.0.⁵ Cumulative net revenues, on a NPV basis, could increase
25 by approximately \$0.2 million.

¹ See, for example, slide 19 of the *Budget 2021 Technical Briefing*, dated May 31, 2021.

² Ibid.

³ $\$500,000 \div \$2,500 = 200$ EVs.

⁴ That is, it appears the program excludes plug-in electric vehicles and used vehicles. It is also unclear if it is limited to residential customers or if commercial consumers would also apply.

⁵ The mTRC result of 1.9 reflects the combined result for the programs of both Utilities under the 2021 Plan. See Newfoundland Power’s *2021 Electrification, Conservation and Demand Management Application*, Volume 2, Schedule L, page 5 of 5.