

1 Q. The Board’s December 20, 2021 letter titled *Provisional Capital Budget Application Guidelines*
2 states “*In addition Government recently announced a plan for the renewable energy industry in*
3 *the province which may have an impact on utility capital expenditures in the near future as the*
4 *province transitions to a net-zero economy and more renewable energy sources.*”

- 5 a) As part of this initiative, has the Government contacted Hydro about their role?
- 6 b) Has the Government specifically endorsed the electrification programs proposed by Hydro
7 and identified them as a critical component of the initiative to transition to a net-zero
8 economy?
- 9 c) How might the Government’s initiative to transition to a net-zero economy impact the
10 analyses relating to the electrification program, particularly the baseline scenario?

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13 A. a) The Renewable Energy Plan indicates that government will work in partnership with
14 Newfoundland and Labrador Hydro (“Hydro”) and other stakeholders to advance many
15 renewable energy initiatives. These include, but are not limited to:

- 16 ● “...to enhance the public’s education on, and awareness of, renewable energy resources
17 (e.g. type, size, cost, etc.)”;¹
- 18 ● “...identifying opportunities to increase the efficiency of the province’s electricity
19 system, to maximize the use and benefit of developed renewable energy”;²
- 20 ● “...to create an Independent Power Producer Policy for diesel-generated electricity
21 systems in remote communities”;³

¹ “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador,” Government of Newfoundland and Labrador, p. 16, sec. 1.1.2.

² “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador,” Government of Newfoundland and Labrador, p. 16, sec. 1.1.5.

³ “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador,” Government of Newfoundland and Labrador, p. 18, sec. 1.2.3.

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- 1 ● “...pursuing opportunities to address challenges related to ‘minimum load variation’
2 challenges in isolated diesel-systems, in order to encourage renewable energy
3 integration in these systems”;⁴
- 4 ● “...explore options to increase electrification of electric vehicles and oil fueled space
5 heating”;⁵
- 6 ● “...expand the province’s residential (Level 1) and commercially available Level 2 and 3
7 (fast charging) electric vehicle charging infrastructure”;⁶
- 8 ● “...determine considerations and opportunities for port electrification (i.e. using
9 electricity to power ships when idling at port)”;⁷
- 10 ● “...maximum value for, and protection of, electricity ratepayers and taxpayers”;⁸ and
- 11 ● “...explore opportunities to leverage federal investment to enhance the province’s
12 transmission system, and use tools to build a more flexible and modern electrical grid, in
13 order to maximize the efficient use of, and value from, the province’s developed
14 renewable energy resources.”⁹

15 With respect to the regulatory framework, the Renewable Energy Plan indicates that “where
16 possible, the Department of Industry, Energy and Technology will review the province’s
17 legislation, regulations, and policies to enable renewable energy development and to use
18 renewable energy development to facilitate progress toward the net-zero commitment by
19 2050.”¹⁰

⁴ “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador,” Government of Newfoundland and Labrador, p. 18, sec. 1.2.4.

⁵ “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador,” Government of Newfoundland and Labrador, p. 22, sec. 1.4.4.

⁶ “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador,” Government of Newfoundland and Labrador, p. 22, sec. 1.4.6.

⁷ “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador,” Government of Newfoundland and Labrador, p. 22, sec. 1.4.7.

⁸ “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador,” Government of Newfoundland and Labrador, p. 28, sec. 3.6.

⁹ “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador,” Government of Newfoundland and Labrador, p. 28, sec. 3.7.

¹⁰ “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador,” Government of Newfoundland and Labrador, p. 25, para. 3.

1 The regulatory framework review includes the review of the *Public Utilities Act*, which was
2 announced on November 18, 2021. Hydro notes that changes in electric utility legislation
3 with respect to the use of renewable energy may impact changes in Hydro’s operations,
4 planning decisions with respect to capital projects, and electrification and conservation and
5 demand management (“ECDM”) planning.

6 b) Yes, the provincial government has provided letters of support for the 2021 Plan.

7 A letter of support was provided by the provincial government prior to filing the 2021 Plan
8 and is included in Hydro’s Application.¹¹ The letter states that the 2021 Plan aligns with
9 provincial rate mitigation efforts.

10 The provincial government provided additional letters of support for the 2021 Plan in March
11 2022. A letter of support from the Department of Environment and Climate Change
12 specifically references the province’s net-zero initiative as follows:

13 “The electric vehicle initiatives and charging infrastructure proposed in
14 Newfoundland Power and Newfoundland and Labrador Hydro’s Electrification,
15 Conservation and Demand Management Plan: 2021-2025 will assist with
16 emission reduction efforts and meeting our collective goal of net zero emissions
17 by 2050.”¹²

18 c) No programs have yet been finalized as a result of the release of the Renewable Energy
19 Plan. Therefore, it is not yet possible to analyze the potential impacts on the baseline
20 scenario. Hydro notes that its proposed ECDM initiatives appear to be aligned with the
21 electrification and efficiency initiatives identified in Renewable Energy Plan.

¹¹ “Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev. 1, July 8, 2021, (originally filed June 16, 2021), sch. 3, sch. M, pp. 1–2.

¹² Please refer to TC-PUB-NLH-002, Attachment 1.