

1 Q. (a) How does Hydro justify charging all ratepayers for the expense pertaining to the
2 construction and maintenance of electric charger stations?

3 (c) Why should all ratepayers subsidize someone’s electric vehicle?
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6 A. *This Request for Information relates to the Electrification, Conservation and Demand
7 Management Plan 2021–2025 (“2021 Plan”) developed in partnership by Newfoundland and
8 Labrador Hydro (“Hydro”) and Newfoundland Power Inc. (“Newfoundland Power”) (collectively,
9 the “Utilities”) and the related Technical Conference presented by the Utilities on February 1,
10 2022. Accordingly, the response reflects collaboration between the Utilities.*

11 (a) Newfoundland and Labrador Hydro (“Hydro”) justifies ratepayer recovery of costs
12 associated with the Electric Vehicle (“EV”) Charging Network based on the rate mitigating
13 benefit to its customers. The EV Charging Network is part of a diversified portfolio of
14 electrification programs that also includes rebate programs, customer education, and
15 research (“Customer Electrification Portfolio”). The Customer Electrification Portfolio will
16 provide a rate mitigating benefit to Island Interconnected System customers over the longer
17 term.

18 The rate mitigating benefit of the Customer Electrification Portfolio will be shared by all
19 Island Interconnected System customers and is consistent with the delivery of least-cost,
20 reliable service to customers. Ratepayer recovery of costs associated with implementing the
21 Customer Electrification Portfolio, including the EV Charging Network, is therefore justified.
22 This is consistent with the Board of Commissioners of Public Utilities’ findings in Board Order
23 No. P.U. 30(2021).¹

24 For more information, please refer to Hydro’s response to TC-CA-NLH-045.

¹ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 30(2021), Board of Commissioners of Public Utilities, September 29, 2021.

1 (c) The Customer Electrification Portfolio is designed to address specific barriers to customer’s
2 adoption of EVs. Customer research determined that the upfront cost of purchasing an EV is
3 a primary barrier to EV adoption in Newfoundland and Labrador. Rebate programs are
4 aimed at addressing this barrier by offsetting a portion of the upfront cost of purchasing an
5 EV and the associated charger.

6 The EV and EV charger rebate programs are essential to achieving the rate mitigating benefit
7 of the Customer Electrification Portfolio, which will benefit all Island Interconnected System
8 customers, as discussed in part (a). As such, ratepayer recovery of rebate program costs is
9 justified.

10 Customer rebate programs have been a common feature of the Utilities’ conservation and
11 demand management plans since 2009. Rebate programs for the purchase of household
12 insulation, thermostats, light bulbs and other technologies incent customers to adopt
13 technologies that reduce overall costs to customers. In these instances, all ratepayers
14 “subsidize” adoption of the technology, and all ratepayers receive the system benefits. This
15 corresponds to the approach in respect of the EV and EV charger rebate programs.