

- 1 **Q. (Reference CA-NP-036(b)) Newfoundland Power states *Based on reduced system***
 2 ***costs, the benefit per kWh of CDM programs is estimated to be 8.3¢ per kWh over the***
 3 ***period 2021 to 2025. According to note 4, which accompanies Newfoundland Power’s***
 4 ***response, this figure of 8.3¢ is based on \$107.4 million in system cost savings.***
 5 **(a) Please provide a detailed breakdown of that estimated system cost savings.**
 6 **(b) To achieve the \$107.4 million outcome, how much is the associated CDM**
 7 **program costs and the estimated costs incurred by participating customers?**
 8 **Is the \$107.4 million net of those costs? If not, please subtract those costs**
 9 **from the \$107.4 million and provide the net benefit on a per kWh basis.**
 10
 11 **A. (a) Table 1 provides a breakdown of the estimated system cost savings by year**
 12 **between forecast avoided energy costs and forecast avoided capacity costs from**
 13 **Newfoundland Power’s CDM programs.**

**Table 1:
CDM Programs - System Costs Savings
2021-2025
(\$000s)**

Year	Avoided Energy Costs	Avoided Capacity Costs	Total
2021	8,142	12,186	20,328
2022	8,609	13,003	21,612
2023	7,698	13,514	21,212
2024	7,776	14,020	21,796
2025	7,919	14,558	22,477
Total	40,144	67,281	107,425

- 14 (b) The \$107.4 million is not net of the associated CDM program costs and the
 15 estimated costs incurred by participating customers. CDM program costs are
 16 forecast to be approximately \$33.9 million. Incremental costs to participating
 17 customers are forecast to be approximately \$8.8 million. Per the requested
 18 analysis, subtracting these amounts from total system cost savings of
 19 \$107.4 million produces a result of \$64.7 million. Based on this figure, the
 20 benefit per kWh would be approximately 5.0 ¢/kWh.¹
 21
 22 CDM program costs and incremental customer costs to participate in the
 23 programs are included in the economic evaluation of CDM programs.²

¹ Energy reductions are estimated to be 1,297 GWh over the period 2021 to 2025 (\$64.7 million / 1,297 GWh) = 5.0 cents/kWh).

² The cost-effectiveness of CDM programs is evaluated using the Total Resource Cost test and the Program Administrator Cost test, as approved by the Board in Order No. P.U. 18 (2016).