Q. **Reference: CA-NLH-062**

Referring to Hydro's 2021–2025 Electrification, Conservation and Demand Management Plan, it was stated

> Should the Holyrood Thermal Generating Station be required as contemplated above, it would most likely be used for capacity purposes; as such, the marginal cost of energy on the Island Interconnected System would remain market-based; therefore, there would be no impact on the economic evaluation of the 2021 Plan. As such, the 2021 Plan should not be impacted by the in-service date of the LIL.

In light of the new information from the Reliability and Resource Adequacy Study – 2022 Update, is the preceding quotation still valid? Would it not be prudent for Hydro to delay encouragement of and incentives for electrification until adequate and reliable capacity and non-thermal energy are available?

A. The information provided in Newfoundland and Labrador Hydro's ("Hydro") response to CA-NLH-062 is still valid.

The 2021 Electrification, Conservation and Demand Management Plan ("2021 Plan") includes programming to encourage customer electrification that will provide rate mitigating benefits over the long term, as well as the continuation of existing energy efficiency programming. For example, the 2021 Plan is forecast to result in system savings of 1,600 GWh and 82 MW from conservation and demand management programming.

In addition, the 2021 Plan includes load management initiatives, such as the Residential EV[1] and Charging Infrastructure Program that will incent the purchase and installation of smart Level 2 EV chargers capable of demand response, combined with a Demand Response Pilot Program.

[1] Electric vehicle ("EV").

This program is critical to encourage EV charging by customers during off-peak hours, as electrification that occurs during system peak has the potential to increase system costs.

Hydro will continue to monitor the inputs and assumptions to ensure all programs offered under the 2021 Plan are cost-effective for customers and beneficial for the electrical system.