

IN THE MATTER OF the *Public Utilities Act*, RSN 1990, Chapter P-47 (the “Act”): and

IN THE MATTER OF a General Rate Application (the Application) by Newfoundland and Labrador Hydro for approvals of, under Section 70 of the Act, changes in the rates to be charged for the supply of power and energy to Newfoundland Power, Rural Customers and Industrial Customers; and under Section 71 of the Act, changes in the Rules and Regulations applicable to the supply of electricity to Rural Customers.

IN THE MATTER OF the *Electrical Power Control Act*, 1994, SNL 1994, Chapter E-5.1 (The “EPCA”) And The Public Utilities Act, RSNL 1990, Chapter P-47 (The “Act”), As Amended; And

IN THE MATTER OF An Investigation And Hearing Into Supply Issues And Power Outages On The Island Interconnected System.

REQUESTS FOR INFORMATION

THE NEWFOUNDLAND AND LABRADOR PUBLIC UTILITIES BOARD

GRK-NP-1 to GRK-NP-9

GRAND RIVERKEEPER LABRADOR INC. (GRK)

Issued January 12, 2015

GRK-NP-1

Re: Supply Issues and Outages Review (“the Liberty Report”), s. 6 (Conservation and Demand Management), pp. 27-30

Preamble: The referenced section indicates:

- that NP and NLH offered CDM programs from 2009 through 2013 that were largely successful (p. 28). It appears, however, that these programs ended in 2013;
- That the 3-year Industrial Energy Efficiency pilot program started in 2010, and was closed to new applicants in 2013 (p. 29);
- That a consultant found that the program had met or surpassed all 2012 participation and savings goals, and made recommendations to improve the programs;
- That Hydro and NP “Hydro and Newfoundland Power plan to retain a consultant to conduct a study of the current potential for conservation and demand management potential, in order to identify ‘remaining achievable, cost-effective, electric energy efficiency and demand management potential.’ The planned study scope includes modeling baseline consumption, identifying technology options, and assessing economical potential for all customer sectors. Hydro anticipates consultant selection by November 2014 and report completion by the end of 2015.”
- That Hydro and NP “plans to retain a consultant in the fall of 2014 to review the marginal study last undertaken by an outside firm in 2006. The Company anticipates that a more comprehensive, 2015 marginal costs analysis will follow this initial review.”

Please confirm or correct the statement in the first bullet of the preamble that the CDM programs offered by NP and NLH from 2009 through 2013 have ended. Please describe the steps to be undertaken for the design, approval and implementation of new CDM programs, once the potentials study referred to in the fourth bullets of the preamble and the marginal costs analysis referred to in the fifth bullet have been completed.

GRK-NP-2

Please provide NP’s best- and worst-case estimates of the time required for carrying out these steps.

GRK-NP-3

Please explain why NP has waited until now before initiating the types of studies mentioned in the preamble to GRK-NP-1 or other planning efforts leading to a new CDM program to replace the one that ended in 2013.

GRK-NP-4

Re: Table 2.8 (p.30 of Liberty Report)

Please indicate if the MWh savings indicated in the right-hand section of the table are cumulative, or represent year-by-year incremental savings. If the figures provided are incremental, please provide a table indicating cumulative MWh savings, with projections for the persistence of these savings for the period 2014-2019. If the figures provided are cumulative, please explain why the savings for Windows

and Thermostats fell from 2012 to 2013, and why there was no persistence of the very substantial industrial savings achieved in 2012.

GRK-NP-5

Please provide incremental and cumulative MW savings resulting from Hydro's CDM efforts 2009-2013.

GRK-NP-6

Re: Liberty Report, Conclusion 2.21 (pp. 33)

Citation:

Thus, without being critical of efforts that have been undertaken, it is clear that a focus on demand (versus energy) reduction has particular importance. A variety of efforts planned for this upcoming year recognize the need to add that focus. We underscore the importance of promptly and comprehensively pursuing them.

Preamble: It appears that NP has little experience with respect to CDM programs focussed on demand reduction.

Please confirm or correct the affirmation in the Preamble.

Given its limited experience in capacity-focused CDM, how will NP proceed in order to develop aggressive and cost-effective demand reduction CDM programs as quickly as possible?

GRK-NP-7

Re: Liberty Report, Conclusion 2.22 (pp. 33-34)

Citation:

2.22. History suggests that Hydro will consult with Newfoundland Power on the design and results of the coming analyses related to conservation and demand management, but it is not clear that Newfoundland Power will share "ownership" of the process.

Personnel from Newfoundland Power consider Hydro to have been open in discussing planned work, in sharing results, and in addressing use of analytical information in past program design and evaluation. It remains clear, however, that Hydro's system planners retain responsibility for program design, the range of assumptions analyzed, the nature of the analyses, selection of resources to assist in performing analyses, oversight of study and analytical work, and final reports.

...

One can conclude that it is not necessarily certain that Hydro and Newfoundland Power (and perhaps other stakeholders as well) will agree on the range of schedule and cost assumptions that should be employed. Scope and methodological viewpoints may differ as well. The same is true of views about the time required to complete work that must serve as the foundation for assessing conservation and demand management potential. Full visibility into study work and management of those

performing it and vetting results also has importance in our view. Therefore, while Liberty commends efforts to engage Newfoundland Power in discussions and while Liberty would expect Hydro to consider to listen carefully and respond to input, a better approach would be to approach the work not from the perspective of “ownership” by Hydro, but of “partnership” between the two and transparency of the work and its results to the Board and to all stakeholders. (underlining added)

Preamble: It appears that Liberty is recommending a joint decision-making process (a “partnership” approach) between Hydro and NP, as contrasted with a unilateral decision-making process implied by the “ownership” approach.

Is NP in agreement with the approach recommended by Liberty?

Is NP concerned that the partnership approach might result in a slower timeline to implementation than an ownership approach?

GRK-NP-8

Re: Recommendation 2.16 (Liberty Report, p. 36)

Citation:

2.16 Complete planned demand management analysis on a Hydro/Newfoundland Power jointly scoped, conducted, and developed basis and report to the Board a structured cost/benefit analysis of short term program alternatives by September 15, 2015. (Conclusion No. 2.21)

The most essential elements of this recommendation are:

- Ensuring, in the event that Hydro and Newfoundland Power do not agree on a range of new capacity timing and cost assumptions to consider, that the work planned incorporates a range of assumptions that is sufficiently broad to encompass those of both entities.
- Ensuring methods and perspectives broad enough to provide for a full identification and analysis of the short-term costs and benefits (both economic and with respect to improving reserves) of options for the period leading up to the introduction of Muskrat Falls

Is NP confident that it and Hydro will be able to develop a suitable framework, jointly scope, conduct and develop a demand reduction plan, and report it to the Board by September 15, 2015?

GRK-NP-9

Re: Recommendation 2.16 (Liberty Report, p. 36)

Citation:

- With respect to longer term options, ensuring that work now proceeds with as clear an understanding as possible of the costs avoided by and the benefits made

available to customers who bear responsibility for new capacity costs and the costs of conservation and demand management costs, in order to provide a sound foundation for determining what measures and programs should be instituted.

What are the steps to be taken by NP, by Hydro and by the Board in order to ensure that these resources are made available as promptly as possible?

DATED at Montreal, in the Province of Quebec, this 12th day of January, 2015.

Charles O'Brien

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Inc.

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