

1 Q. **Newfoundland and Labrador Hydro – Near-Term Reliability Report, May 15, 2020**

2 ***Demand Forecast***

3 With respect to present, extended, and potential resumed application of COVID-19
4 circumstances, restrictions, and guidance, please:

5 a. Confirm that their application during the winter season can have implications that may
6 cause a material impact on peak loads for this season. If not so confirmed explain why not.

7 b. Describe whether Hydro has collected during the existence of current COVID-19
8 circumstances, restrictions, and guidance demand and usage data available and suitable for
9 use in examining changing use and demand patterns.

10 c. Provide the results of any study or analysis that Hydro has performed to address usage and
11 demand impacts of COVID-19 circumstances, restrictions, and guidance. Also provide the
12 scope, activities, questions to be answered, and schedule of any such study no underway or
13 contemplated.

14 d. Summarize Hydro’s knowledge, understanding, and perspectives and views about industry
15 writings, studies, or analyses of the impact of COVID-19 circumstances, restrictions, and
16 guidance on customer usage and demand.

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19 A. a. Since the onset of COVID-19 circumstances, restrictions, and guidance in March 2020,
20 Newfoundland and Labrador Hydro (“Hydro”) has been monitoring system utility loads and
21 has made the following observations:

- 22 • Shifts in hourly demand across the day have been modest and remain correlated with
23 weather patterns and conditions during the periods in which heating loads are required.
24 The shifts in hourly load patterns that Hydro has observed, should they continue, are
25 not predicted to have a material impact on peak loads during winter seasons in the
26 short- to medium-term.

- 1 • A softening of utility sales across the time period since COVID-19 restrictions have been
2 in place has been evident; however, reduced sales associated with COVID-19 versus
3 general economic conditions or customer efficiency gains due to the strong uptake of
4 heat pumps within the customer base have not been quantified at this time. On both
5 the Island and Labrador Interconnected Systems, winter utility peak load requirements
6 are highly influenced by customer heating requirements that are primarily weather
7 driven. It is therefore not expected that COVID-19 circumstances and restrictions will
8 have a material impact on utility peak loads during the winter season in the short-term.
9 Note that should COVID-19 impacts be prolonged and affect general economic
10 conditions within the province, those impacts will be assessed by economic forecasters
11 and be included in updates to the economic forecasts for the province that are relied
12 upon by Hydro and Newfoundland Power. Revised economic forecasts as part of the
13 regular planning process which supports Hydro’s Reliability and Resource Adequacy
14 filings will be translated into load impacts through the load forecast models.
- 15 • At this point in time, the most significant impact on Island Interconnected System load
16 requirements that can be considered attributable to COVID-19 effects remains the idling
17 of the oil refinery at Come By Chance. The idling of this facility has reduced customer
18 demand requirements by approximately 25 MW and, to date, has resulted in a decrease
19 of 47 GWh in energy sales as compared to forecast. The future ownership¹ and restart of
20 this facility remains uncertain but is currently assumed to be in operation prior to this
21 coming winter. All of Hydro’s other industrial class customers have indicated little or no
22 impact to operations due to COVID-19. Hydro remains informed of its industrial
23 customer class load requirements via its “Key Accounts & Business Development Lead”
24 position.
- 25 b. As part of its regular operations and planning processes Hydro monitors, records and
26 maintains systems load data. Interval load data is maintained within Hydro’s PI data system
27 and usage data is maintained in departmental database’s accessible by planning staff. In

¹“Irving Oil’s Come By Chance refinery purchase a ‘building block’ to get Western Canadian oil east,” Newfoundland & Labrador Oil & Gas Industries Association, May 29, 2020. <<https://www.noia.ca/2020/05/irving-oils-come-by-chance-refinery-purchase-a-building-block-to-get-western-canadian-oil-east/>>.

1 addition, monthly usage data is shared by Newfoundland Power to assist in its efforts to
2 determine load impacts that may be caused by COVID-19.

3 c. To date, Hydro has not performed a study on usage and demand impacts of COVID-19;
4 however, on July 8, 2020 during a meeting between Hydro representatives and
5 Newfoundland Power, it was agreed that continue an open dialogue to share observations
6 and assessments of the impact that COVID-19 has had on energy sales and demand to date
7 and the potential impact on the near term forecast.

8 d. Hydro has attended web seminars and reviews news releases and presentations from
9 various utilities and groups describing the impact of COVID-19 on electricity sales and
10 demand in their respective jurisdictions. In addition, Hydro receives regularly published
11 summaries of energy analyses regarding COVID-19 and distributed by Platts Analytics
12 Service of which Hydro is a client.² While all information is considered, the uniqueness of
13 Newfoundland and Labrador, in particular its reliance on electricity for space heating,
14 highlights the limited application of general findings of other jurisdictions' COVID-19 impacts
15 to the load forecast. However, Hydro considers the work completed by others in the
16 industry to be a valuable resource while continuing to work on assessing the impacts locally.

² Previously provided by PIRA Energy Group which is now part of the S&P Global Platts group of companies.