

1 Q. Is a primary objective of the proposed electrification program to increase consumption of
2 electricity in the Province, particularly the Island Interconnected System (IIS)? If so, by how
3 many years is the proposed electrification program expected to advance electrification in the
4 Province?

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7 A. *This Request for Information relates to the Electrification, Conservation and Demand*
8 *Management Plan 2021–2025 (“2021 Plan”) developed in partnership by Newfoundland and*
9 *Labrador Hydro (“Hydro”) and Newfoundland Power Inc. (“Newfoundland Power”) (collectively,*
10 *the “Utilities”) and the related Technical Conference presented by the Utilities on February 1,*
11 *2022. Accordingly, the response reflects collaboration between the Utilities.*

12 The primary objective of the proposed electrification programs is to increase domestic
13 consumption of electricity on the Island Interconnected System in a manner that provides a
14 rate mitigating benefit for customers. This is consistent with the Board of Commissioners of
15 Public Utilities’ findings as part of the *Reference on Rate Mitigation Options and Impacts*
16 proceeding, including the finding that:

17 “[M]aximizing domestic load through electrification, improving energy efficiency
18 and using demand response to reduce peak and allow for increased export sales
19 leads to the best outcomes for customers.”¹

20 Electrification programs in the 2021 Plan seek to realize the customer benefits of
21 electrification primarily through increasing the adoption of electric vehicles (“EV”) in the
22 province.² Under the baseline scenario (i.e., without utility intervention), the market
23 potential study completed by Dunsky Energy Consulting (“Study”) projects approximately
24 41,000 EVs in the province by 2034. By comparison, implementation of the 2021 Plan is
25 projected to: (i) result in 41,000 EVs in the province by 2029, or five years ahead of the

¹Please refer to “Reference to the Board Rate Mitigation Options and Impacts Muskrat Falls Project – Final Report,” Board of Commissioners of Public Utilities, February 7, 2020, at p. iii.

²The customer benefits of electrification programs are assessed through the modified Total Resource Cost test and a net present value analysis. For more information, please refer to Hydro’s response to TC-CA-NLH-002.

1 baseline scenario; and (ii) more than triple the number of EVs to approximately 137,000 on
2 provincial roads by 2034.

3 Additionally, the Study shows that system costs will increase without utility intervention.
4 This is largely due to an increase in capacity-related system costs resulting from the
5 unmanaged charging of EVs. Increased system costs would put upward pressure on
6 customer rates and would be inconsistent with provincial rate mitigation objectives.
7 Implementation of the 2021 Plan will lay the foundation for effective load management to
8 avoid exposing customers to higher rates due to increased system costs. Please refer to
9 Hydro’s response to PUB-NLH-006 for further information.