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**2021 Electrification, Conservation and Demand Management Application**

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1 Q. Reference: Bowman, Patrick, “Electrification, Conservation and Demand  
2 Management Plan Review, including Use of a Modified Total Resource Cost Test,”  
3 InterGroup Consultants Ltd., May 4, 2022, p. 4/10–21.

4 The NSPM goes on to state its Principle #2, that evaluation of CDM  
5 should “align with policy goals” and that:

6 Jurisdictions invest in or support energy resources to meet  
7 a variety of goals and objectives. The primary cost-  
8 effectiveness test should therefore reflect this intent by  
9 accounting for the jurisdiction’s applicable policy goals and  
10 objectives.

11 Indeed, Step 1 in the manual is to “Articulate Applicable Policy  
12 Goals.” This is a necessary step, as the policy objectives of different  
13 jurisdictions can differ materially. In some jurisdictions, for example,  
14 increases in energy efficiency that reduce GHG emissions or reduce  
15 the need to invest in new resources can be prominent policy  
16 objectives. These objectives can abide somewhat higher power rates  
17 in order to achieve other priorities.

18 In the case of the IIS, however, a different dramatic and acute policy  
19 objective prevails – the need to mitigate rate levels. Specifically, the  
20 province has noted that rates are the priority . . . “

21 The Government of Newfoundland and Labrador’s Plan for the Development of the  
22 Renewable Energy Industry in Newfoundland and Labrador (“Renewable Energy  
23 Plan”) lists the following action items, amongst others:

24 Support the utilities in identifying opportunities to increase the  
25 efficiency of the province’s electricity system, to maximize the use  
26 and benefit of developed renewable energy.<sup>4</sup>

27 Work with Newfoundland and Labrador Hydro, and the Department  
28 of Environment and Climate Change, and the Department of  
29 Finance, to explore options to increase electrification of electric  
30 vehicles and oil fueled space heating.<sup>5</sup>

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<sup>4</sup> “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador, Government of Newfoundland and Labrador, p. 16, item 1.1.5.

<sup>5</sup> “Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador, Government of Newfoundland and Labrador, p. 23, item 1.4.4.

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1 Continue to review the carbon pricing system with a view to incenting  
2 electrification and energy efficiency in line with planned national  
3 reviews.<sup>6</sup>

4 Work with Newfoundland and Labrador Hydro, to explore  
5 opportunities to leverage federal investment to enhance the  
6 province's transmission system, and use tools to build a more flexible  
7 and modern electrical grid, in order to maximize the efficient use of,  
8 and value from, the province's developed renewable energy  
9 resources.<sup>7</sup>

10 a) Is Mr. Bowman suggesting that these policy objectives should be ignored in  
11 the evaluation of conservation and demand management and electrification  
12 programming for this jurisdiction?

13 b) Does Mr. Bowman agree that the statements from the Renewable Energy  
14 Plan cited above appear to indicate that the promotion of the utilities' Electrification,  
15 Conservation and Demand Management Plan is consistent with provincial  
16 government policy? If not, why not?

17 A.

18 (a) and (b) Please see NLH-IIC-006.

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<sup>6</sup> Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador, Government of Newfoundland and Labrador, p. 26, item 2.7.

<sup>7</sup> "Maximizing Our Renewable Future – A Plan for Development of the Renewable Energy Industry in Newfoundland and Labrador, Government of Newfoundland and Labrador, p. 40, item 3.7.