

1 **Q. (2021 Electrification, Conservation and Demand Management Application) Why is**  
2 **the capital expenditure in this Application being viewed within the context of a**  
3 **supplemental capital expenditure when in about 4 months NP will be submitting a**  
4 **General Rate Application (June 1, 2021 according to Footnote 52) and in about 5**  
5 **months NP will be submitting its 2022 Capital Budget Application?**

6 **(a) Would review of a capital budget expenditure such as this not be more fully**  
7 **informed and understood by the parties and the Board when viewed within the**  
8 **context of all NP costs as would be the case in a GRA, and/or all capital budget**  
9 **expenditures as would be the case in a capital budget application? In fact, is this**  
10 **not why we have GRAs and Capital Budget Applications?**

11 **(b) It is understood that reviewing this capital program at the upcoming GRA or**  
12 **Capital Budget Application would delay deployment of the vehicle charging**  
13 **program by up to a year. How important is this given that there will not be any**  
14 **significant rate mitigation benefits from the program until 2027 (Volume 1,**  
15 **Exhibit 2, Figure 1)?**

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17 **A.** Newfoundland Power's application for a supplemental capital expenditure for 2021 is  
18 consistent with the requirements of Board's *Capital Budget Application Guidelines* (the  
19 "Guidelines").<sup>1</sup>

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21 The Guidelines establish that:

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23 *Where a utility determines that a capital expenditure which was not anticipated*  
24 *and included in the annual capital budget is necessary in the year and should not*  
25 *be delayed until the following year it may make an application for approval of a*  
26 *supplemental capital expenditure in the year.*<sup>2</sup>

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28 The capital expenditure proposed in the Application was identified through the  
29 development of the *Electrification, Conservation and Demand Management Plan: 2021-*  
30 *2025* (the "2021 Plan"). The 2021 Plan was finalized in December 2020, approximately  
31 5 months after the filing of Newfoundland Power's *2021 Capital Budget Application*.

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33 The capital expenditure proposed in the Application relates to the construction of an  
34 electric vehicle ("EV") charging network in Newfoundland Power's service territory.  
35 The construction of an EV charging network is necessary to enable the successful  
36 delivery of customer electrification programs in 2021.<sup>3</sup> The successful delivery of  
37 customer electrification programs will provide rate mitigating benefits for customers.<sup>4</sup>  
38 Delaying the proposed capital expenditures to a subsequent year would, in effect, delay  
39 the delivery of the associated rate mitigating benefits for customers. See, for example,  
40 response to Request for Information CA-NP-033.

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<sup>1</sup> See Policy Number 1900.6, October 2007.

<sup>2</sup> See the Guidelines, page 9 of 11.

<sup>3</sup> The market potential study included with the Application showed the single largest factor influencing the adoption of electric vehicles is access to fast charging infrastructure, as proposed in the Application. See the *2021 Electrification, Conservation and Demand Management Application*, Volume 1, Exhibit 2, page 4.

<sup>4</sup> See the *2021 Electrification, Conservation and Demand Management Application*, Volume 1, Exhibit 2, page 2.

1 (a) No. In Newfoundland Power's view, the existing process for the Application as  
2 established by the Board is consistent with the Guidelines and provides an  
3 opportunity to fully consider the proposed capital expenditures and related proposals.  
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5 (b) As described above, delaying construction of the EV charging network would delay  
6 delivery of the associated rate mitigating benefits for customers. Delaying this  
7 benefit to customers would be inconsistent with the least-cost delivery of reliable  
8 service and provincial rate mitigation objectives.<sup>5</sup>  
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10 See, for example, response to Request for Information CA-NP-033, which describes  
11 the impact of delaying implementation of customer electrification programs until  
12 2022.

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<sup>5</sup> The Provincial Government has provided a letter of support for the 2021 Plan, which states that: "*The plan indicates the province's utilities are taking actions to begin addressing the electrification, and conservation and demand management (CDM) recommendations in the Board of Commissioners of Public Utilities Rate Mitigation Options and Impacts Report. The Board's report demonstrated clearly that these action areas have excellent potential to assist with our rate mitigation efforts.*" See the *2021 Electrification, Conservation and Demand Management Applications*, Volume 2, Schedule M, pages 1 and 2 of 7.