

1 Q. Reference: Bowman, Patrick, “Electrification, Conservation and Demand
2 Management Plan Review, including Use of a Modified Total Resource Cost
3 Test,” InterGroup Consultants Ltd., May 4, 2022, p. 4/20–27.

4 In the case of the IIS, however, a different dramatic and acute policy
5 objective prevails – the need to mitigate rate levels. Specifically, the
6 province has noted that rates are the priority:

7 Government’s position is that the projected rate
8 increases associated with Muskrat Falls Project costs
9 are not acceptable. Without intervention, these
10 projected rate increases would likely cause financial
11 hardship for customers in all rate classes on the island
12 portion of Newfoundland and Labrador (“Ratepayers”).

13 The roles of both CDM and electrification in the province need be
14 tested first and foremost against this rate mitigating policy objective.

15 Is it Mr. Bowman’s position/belief that rate mitigation is the Government of
16 Newfoundland and Labrador’s priority over all other policy objectives? In the
17 response, please address the letters of support provided by the
18 Government of Newfoundland and Labrador included in Newfoundland and
19 Labrador Hydro’s response to TC-PUB-NLH-002.

20 A. Mr. Bowman has no specific knowledge of the Government of Newfoundland and
21 Labrador’s policy priorities, in terms of relative importance of various Government
22 imperatives.

23 Mr. Bowman notes that the referenced letters indicate two different perspectives.
24 One of the letters references benefits from reduced greenhouse gas emissions
25 from transport vehicles. This is a common and important goal, but it is not apparent
26 why this would be a goal that utility ratepayers would fund through higher rates.
27 Quantification of any adverse rate impacts to fund Government objectives outside
28 the utility sector would seem to be beneficial information in determining whether
29 the programs are indeed part of just and reasonable rates at the lowest reasonable
30 cost.

31 The second references rate mitigation as an important objective.

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1 In either case, it appears necessary and important to calculate metrics for both
2 electrification and energy efficiency that clearly illustrate the rate impacts by
3 program, as well as over varying horizons (impact over 5 years, 10 years, etc.), so
4 that this quantification can go into the assessment of which ECDM programs to
5 pursue. In this regard, the letters do not appear to be inconsistent with the
6 recommendations in the Bowman pre-filed testimony.