

- 1 **Q.** (Application Volume 2, Electrification, Conservation and Demand Management
2 **Plan 2021-2025, page 3)** The quote from the Board’s February 2020 rate mitigation
3 report includes the following sentence: *Appropriate electrification programs should*
4 *be pursued Government and the utilities, taking into account the impact such programs*
5 *can have on Island Interconnected system peak through CDM programs.*
- 6 a) In light of that statement, why does NP expect the Board to approve CDM
7 programs that substantially reduce electricity consumption while providing
8 only a modest reduction in system peak by 2025?
- 9 b) It is also stated on page 3 in reference to the use of surplus electricity arising
10 from Muskrat Falls that *each additional kWh consumed domestically will*
11 *provide a benefit of 9.3¢.* How does that benefit compare to the benefit per
12 kWh arising from reduced electricity consumption due to NP’s CDM
13 programs for 2021 to 2025?
- 14
- 15 A. a) Customers are forecast to achieve a peak demand reduction of approximately
16 70 MW from 2021 to 2025. This represents approximately 5% of Newfoundland
17 Power’s forecast system peak.¹ The Company does not characterize this
18 reduction as “modest.”
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- 20 CDM programs are forecast to achieve substantial benefits for Newfoundland
21 Power’s customers. Participating customers are forecast to realize electricity bill
22 savings of approximately \$185 million over the 2021 to 2025 period. All
23 Newfoundland Power customers are forecast to benefit from lower system costs
24 of approximately \$107 million over this period.² These customer benefits are
25 consistent with the least-cost delivery of reliable service to customers.
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- 27 Furthermore, Newfoundland Power observes that, in correspondence to the Board
28 dated March 1, 2021, the Consumer Advocate stated: *“The Consumer Advocate*
29 *supports conservation and demand management initiatives in the Province.”*³
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- 31 b) Based on reduced system costs, the benefit per kWh of CDM programs is
32 estimated to be 8.3¢ per kWh over the period 2021 to 2025.⁴

¹ See the 2021 *Electrification, Conservation and Demand Management Application, Volume 1, Company Evidence*, page 10.

² *Ibid.*, page 11.

³ See the Consumer Advocate’s correspondence to the Board regarding *Newfoundland Power Inc. – 2021 Electrification, Conservation and Demand Application*, March 1, 2021, page 1.

⁴ System cost savings are estimated to be \$107.4 million over the period 2021 to 2025. Energy reductions are estimated to be 1,297 GWh over this period. ($\$107.4 \text{ million} / 1,297 \text{ GWh} = 8.3 \text{ cents/kWh}$).