



NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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Newfoundland Power Inc.

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Dear Madam/Sirs:

Re: Newfoundland Power Inc. - Application for Electric Vehicle Load Management Pilot Project - Consumer Advocate Request for Rehearing of Application

On September 12, 2023, pursuant to section 28 of the **Board of Commissioners of Public Utilities Regulations, 1996** (the "Regulations"), the Consumer Advocate requested a rehearing of Newfoundland Power's Application for an Electric Vehicle ("EV") Load Management Pilot Project.¹ Newfoundland Power filed comments on the request on September 19, 2023. The other parties in this proceeding, Newfoundland and Labrador Hydro ("Hydro") and Drive Electric NL, did not file comments.

The Consumer Advocate's request for a rehearing of Newfoundland Power's EV Load Management Pilot Project Application is based on the following:

- (a) the Board's findings respecting the EV Load Management Pilot Project are inconsistent with Order No. P.U. 33(2022) related to the utilities' electrification programming applications, Order No. P.U. 38(2022) related to Newfoundland Power's 2023 Capital Budget Application, and Order No. P.U. 21(2023) related to Hydro's Supplementary Capital Expenditure Application respecting ultra-fast EV chargers; and

¹ Order P.U. 23(2023), dated August 31, 2023.

(b) the EV Load Management Pilot Project would result in duplication with Newfoundland Power's ongoing load research study and rate design review.

In the alternative, the Consumer Advocate requested that the implementation of Order No. P.U. 23(2023) be deferred until Newfoundland Power's ongoing load research study has been completed and the Board clarifies its decision to impose the cost burden of the EV Load Management Pilot Project on ratepayers when it denied cost recovery with respect to EV charging stations in its 2022 order.

Newfoundland Power submitted that the Consumer Advocate has not provided any grounds upon which Order P.U. 23(2023) could reasonably be found to be erroneous and has not established a reasonable basis for rehearing the application in accordance with the requirements of the legislation.

The Board finds that there is no basis for a rehearing with respect to the EV Load Management Pilot Project Application. The Board is satisfied that Order No. P.U. 23(2023) is consistent with the Board's previous orders with respect to utility electrification programming and adequately addresses the issues raised by the Consumer Advocate in relation to duplication with other studies being conducted by Newfoundland Power.

The approval of the EV Load Management Pilot Project is consistent with Order No. P.U. 33(2022) which confirmed the potential benefits of appropriate electrification programming for this province and stated:

While the Board has determined that the Applications will not be approved, the Board continues to believe in the potential benefits of appropriate electrification programming for this Province. At this stage in the development and implementation of utility electrification programming the Board believes that the best way to ensure that these new programs are consistent with the provision of least-cost service and good utility practice is through the review of specific initiatives and expenditures.²

The Board concluded that the utilities may apply for approval to defer and recover expenditures for specific electrification initiatives and expressly addressed the information which may be filed to support initiatives in relation to load management as well as research and pilot programs. The EV Load Management Pilot Project is such a project and was found by the Board in Order No. P.U. 23(2023) to be justified based on the record.

The Board has reviewed the matters raised by the Consumer Advocate and does not agree that there is any inconsistency in the Board's orders. Specifically, the Board notes:

1. The Board's findings in Order No. P.U. 23(2023) that there is an opportunity for measurable load management and that the EV Load Management Pilot Project would

² Order P.U. 33(2022), page 18.

avoid exposing customers to risks of higher system costs, are consistent with the concerns as to upward rate pressures expressed in Order No. P.U. 33(2022).³

2. While the Board denied the electrification proposals in Order No. P.U. 33(2022) and recommended a coordinated approach from the utilities and government, the Board also stated that the utilities could apply for appropriate electrification initiatives with specific reference to load management and research and pilot projects.⁴
3. The Board found in Order No. P.U. 23(2023) that the EV Load Management Pilot Project would provide valuable information with respect to the measures which are appropriate to manage EV load in the province and is consistent with sound public utility practice and the delivery of reliable service in an environmentally responsible manner at the lowest possible cost to consumers.⁵
4. While Order No. P.U. 33(2022) noted the uncertainty as to the magnitude of the benefits of utility electrification programming, the Board found in Order No. P.U. 23(2023) that the proposed EV Load Management Pilot Project would provide useful information and that a delay may expose customers to risks of higher system costs.⁶
5. The denial in Order No. P.U. 33(2022) of EV purchase incentives intended to encourage EV uptake is not comparable to the EV Load Management Pilot Project intended to gather information to better understand the opportunities and challenges associated with EV load management.⁷
6. While the Board declined in Order No. P.U. 33(2022) to approve an overall test to be used by the utilities to evaluate electrification programming, the Board invited the filing of applications for specific electrification programming such as the EV Load Management Pilot Project.⁸
7. The evidence filed in support of the EV Load Management Pilot Project was reviewed by the Board and found to demonstrate it is appropriate for Newfoundland Power to undertake initiatives to assess EV load management strategies given the projected increase in EV adoption and the potential for substantial impacts on peak demand and system costs.⁹

The Board is satisfied that there are no inconsistencies between Order No. P.U. 23(2023) approving Newfoundland Power's EV Load Management Pilot Project and Order No. P.U. 33(2022).

The Board is also satisfied there is no inconsistency between Order No. P.U. 33(2023) and Order No. P.U. 38(2022) and Order No. P.U. 21(2023). In Order No. P.U. 38(2022) the Board did not comment on the merits of the proposed 2023 expenditures for EV charging infrastructure except that these expenditures should be the subject to a separate application. In Order No. P.U.

³ Order P.U. 23(2023), pages 3 and 4.

⁴ Order P.U. 33(2022), page 16.

⁵ Order P.U. 23(2023), page 4.

⁶ Order P.U. 23(2023), page 3.

⁷ Order P.U. 23(2023), page 3.

⁸ Order P.U. 33(2022), page 18.

⁹ Order P.U. 23(2023), page 4.

21(2023) the Board approved Hydro's proposed 2023 capital expenditures for EV charging infrastructure.

Additionally, the Board finds that Order No. P.U. 23(2023) adequately addresses the issues raised by the Consumer Advocate as to whether the approval of the EV Load Management Pilot Project would result in duplication with Newfoundland Power's ongoing load research study and rate design review. In Order No. P.U. 23(2023) the Board stated:

The Board does not agree these studies would provide the necessary information with respect to EV load management costs and benefits. The Pilot Project would provide in-depth information on EV owners' charging behaviours and the costs and benefits of strategies to shift EV charging to off-peak periods. In contrast, the load research and rate design studies take a broad view of load, demand, and rate impacts and were not designed to pilot strategies to manage end-uses of electricity.¹⁰

The Board concludes that the Consumer Advocate has not established a basis for the rehearing of the EV Load Management Pilot Project Application. For the same reasons the Board does not accept the Consumer Advocate's request to defer implementation of Order No. P.U. 23(2023). As stated by the Board:

The Board believes the information to be gathered through the Pilot Project will be useful in the near term and will be informative as to load management strategies as EV uptake increases in this province in the coming years. The evidence demonstrates that delaying the Pilot Project would expose customers to risks of higher system costs due to EV adoption and may result in lost opportunities to manage electrification as it increases.¹¹

The Board dismisses the Consumer Advocate's request for a rehearing and the deferral of the implementation of the EV Load Management Pilot Project.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or telephone (709) 726-6781.

Sincerely,



Jo-Anne Galarneau
Board Secretary

JG/cj

¹⁰ Order P.U. 23(2023), page 3.

¹¹ Order P.U. 23(2023), page 3.

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