Q. (Reference EV Load Management Pilot Project, page 1) It is stated ***"The results of the pilot project will inform the next suite of customer demand management programs anticipated to be launched by the utilities in 2026."*** **Further, it is stated (page 1)** ***"Newfoundland Power proposes to recover actual costs incurred to complete the EV Load Management Pilot Project through its Electrification Cost Deferral Account, as approved by the Board in Order No. P. U. 3 (2022)."***

a) Why is it appropriate to recover costs of a pilot project that Newfoundland Power states will inform demand management programs, not electrification programs, in the Electrification Cost Deferral Account?

b) Why is this EV charging load management pilot project not included as part of NP's Load Research Study and Retail Rate Design Review agreed to at NP's 2022/23 GRA?

c) Would the EV charging load management pilot project be better informed if EV charging load were considered from the perspective of overall household customer demand rather than in isolation?

d) How will the external consultant and the internal resource involved in the Load Research Study interact with the team undertaking the proposed EV charging load management pilot project?

e) What cost impact are the load research/rate design studies having on the EV charging load management pilot project, and vice versa?

A. a) It is appropriate to recover the costs of the proposed pilot project through the Electrification Cost Deferral Account as it fits within the definition of that account.[1]

The Electrification Cost Deferral Account is designed to provide for the deferred recovery of costs related to electrification initiatives. The EV Load Management Pilot Project is considered an electrification initiative as it is designed to assess the cost-effectiveness of managing load from the primary driver of electrification in the province, EV adoption. The Electrification Cost Deferral Account specifically provides for the deferred recovery of costs to conduct pilot programs, such as the proposed project.

b) The stated projects are separate initiatives being undertaken by Newfoundland Power, each of which has a distinct scope matching the purpose of the work.

Newfoundland Power, Newfoundland and Labrador Hydro ("Hydro"), and the Consumer Advocate agreed that Newfoundland Power would conduct a Load Research Study and a Rate Design Review as part of the Company's *2022/2023 General Rate Application*.[2]

The primary purpose of the Load Research Study is to assess and determine the appropriate allocation of demand costs between customer rate classes. Such information is necessary for Newfoundland Power's cost of service studies in assessing the reasonableness of customer rates.[3]

---

1 See the Application, *EV Load Management Pilot Project* report, Attachment A, page 1.

2 The Settlement Agreement between Newfoundland Power, Hydro and the Consumer Advocate was signed by the parties on November 22, 2021, and approved by the Board in Order No. P.U. 3 (2022).

3 Newfoundland Power's most recent load research studies to inform demand allocations amongst customer rate classes were completed in 2006 and 1994.

The purpose of the Rate Design Review is to evaluate the appropriateness of Newfoundland Power's rate designs with particular attention to changes in marginal costs due to the integration of the Muskrat Falls Project.

The EV Load Management Pilot Project is substantially different in purpose than these two initiatives. The purpose of the pilot project is to collect detailed information on a specific end use, EV charging, and to evaluate the cost-effectiveness of strategies to manage EV load on the electrical system. This targeted approach is necessary to collect data with sufficient granularity to inform future demand response programs for customers and is outside the scope of the Load Research Study and Rate Design Review, a framework for which has been previously shared with the parties.[4]

The differing purposes of the identified initiatives result in different scopes that necessitate the use of different technologies and expertise. The Load Research Study will involve installing meters at customer premises that are capable of recording whole home customer energy and demand usage in 15-minute intervals. The EV Load Management Pilot Project will utilize vehicle telematics and Level 2 smart chargers to detect and manage EV load specifically. The third-party service provider selected to administer the EV Load Management Pilot Project will be required to possess extensive knowledge on EV technologies and demand response programs. This expertise will not be required of the consultants selected to deliver the other initiatives.

Based on the differing purposes and scopes, the stated initiatives are being pursued as separate projects.

c) No, information on overall household customer demand is not necessary to gain an understanding of EV owners' charging habits or to evaluate the cost-effectiveness of strategies to manage EV charging.

However, Newfoundland Power recognizes that overall household demand from customers with EVs may be appropriately included as part of the Load Research Study and will consult with the parties on the topic.[5]

d) The teams leading the Load Research Study and EV Load Management Pilot Project are involved in regular meetings to share progress. Both teams will have access to the results of all stated initiatives.

e) Newfoundland Power has not identified any cost impacts of the Load Research Study or Rate Design Review on the EV Load Management Pilot Project or vice versa. It is possible that recruitment of EV owners for participation in the Load Research Study could be streamlined by leveraging recruitment efforts completed for the EV Load Management Pilot Project. However, a specific cost impact has not been identified.

[4] In accordance with Order No. P.U 3 (2022), Newfoundland Power provided its Load Research and Rate Design Framework to the parties in 2022 and subsequently filed the framework with the Board.

[5] Newfoundland Power provided its Load Research Study Plan to the parties for input on June 16, 2023.