

1 **Q. (Reference EV Load Management Pilot Project, Attachment A, page 1) It is**  
2 **stated that the deferral account “shall exclude electrification expenditures**  
3 **that are general in nature and not associated with a specific electrification**  
4 **program, such as costs associated with providing electrification awareness,**  
5 **and general planning, research and supervision costs”. Please explain how**  
6 **the proposed pilot program meets this requirement. Specifically, please**  
7 **identify the electrification program that the proposed pilot program relates to**  
8 **and provide the Board approval.**

9  
10 A. The statement referenced in this Request for Information represents only part of the  
11 definition of the Electrification Cost Deferral Account. In addition to the stated  
12 exclusions, the definition also lists the types of costs to be included in the account.  
13 These include not only the cost of specific electrification programs, as referenced, but  
14 also “the costs of major studies such as pilot programs, comprehensive customer  
15 surveys and potential studies that cost greater than \$100,000.”<sup>1</sup> The proposed EV Load  
16 Management Pilot Project fits within this part of the account definition.

17  
18 The “general” costs excluded from the Electrification Cost Deferral Account comprise  
19 expenses that are not directly related to a specific program or initiative otherwise listed  
20 in the Electrification Cost Deferral Account. These “general” costs are typically small in  
21 scale and are expensed as incurred.<sup>2</sup>

22  
23 The recovery of costs to conduct pilot projects through the Electrification Cost Deferral  
24 Account is consistent with the longstanding practice in this jurisdiction for customer  
25 conservation and demand management (“CDM”) initiatives. The CDM Cost Deferral  
26 Account, as approved by the Board in Order No. P.U. 13 (2013), contains the same  
27 clauses quoted in this Request for Information. Costs to conduct pilot projects, such as  
28 the 2015 Hot Water Tank Direct Load Control Pilot, are recovered through the CDM Cost  
29 Deferral Account.

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31 The EV Load Management Pilot Project is not related to a specific electrification program  
32 previously approved by the Board. Rather, approval of the proposed initiative is being  
33 sought through this application.

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

<sup>2</sup> See Newfoundland Power’s *2022/2023 General Rate Application, Volume 1, Section 2: Customer Operations*, page 2-13, Table 2-3.