

1 **Q. (Reference Application, 2024 – 2028 Capital Plan, page 1) In reference to a**
 2 **forecast decline in the number of customer connections, it is stated “*system***
 3 ***load growth driven by residential development in urban areas, electrification***
 4 ***of heating systems, and electric vehicle adoption is forecast to offset this***
 5 ***decline.” How, and to what extent, will these increases be offset by conversions***
 6 ***from baseboard heating to heat pumps, rate design and behind-the-meter***
 7 ***generation?***

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 9 A. Newfoundland Power estimates that the continued adoption of heat pumps to offset
 10 electric baseboard heating will reduce residential energy consumption by approximately
 11 10 GWh and reduce Newfoundland Power’s peak demand by approximately 2.4 MW on
 12 an annual basis over the 2024-2028 period.

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 14 Newfoundland Power is commencing a Rate Design Review in 2023.¹ The purpose of
 15 the Rate Design Review is to: (i) review existing Domestic and General Service Rate
 16 Designs; (ii) review potential alternative rate designs in consideration of the integration
 17 of the Muskrat Falls Project and interconnection to the North American grid;
 18 (iii) evaluate the impact of alternative rate designs on Newfoundland Power’s customers
 19 including the cost of implementation, billing impacts, and customer acceptance; and
 20 (iv) consider whether the rate designs should be mandatory or optional. Since the Rate
 21 Design Review is not complete, Newfoundland Power cannot estimate the impact that
 22 future changes in rate designs would have on Newfoundland Power’s customer load.

23
 24 Newfoundland Power’s Net Metering Service Option provides customers with the ability
 25 to generate electricity to offset their own consumption.² Customer participation in the
 26 Net Metering Service Option has been low since its introduction.³ In addition, there is a
 27 provincial subscription limit of 5 MW for all net metering customers’ generating facilities
 28 that are a part of the net metering program.⁴ As a result, the Company does not
 29 currently consider customer generation to be a factor that will greatly influence the
 30 Company’s load requirements.

1 Newfoundland Power submitted its Load Research and Rate Design Framework to the Board on December 30,
 2022.

2 Newfoundland Power’s Net Metering Service Option is based on the principles outlined in the Provincial
 Government’s Net Metering Policy Framework which was released in July 2015.

3 As of December 31, 2022, Newfoundland Power had 28 Net Metering Service Option customers, totaling
 303.3 kW of generation capacity and 90,508 kWh of energy delivered to Newfoundland Power. This represents
 approximately 0.02% of Newfoundland Power’s peak demand for the 2022-2023 winter season and
 approximately 0.002% of the Company’s annual energy sales.

4 See the Newfoundland and Labrador Net Metering Policy Framework, July 2015, Section 3.5, page 5.