Section 2: Customer Operation/Operating Costs

Q. (Section 2, page 2-13) It is stated "*With the continued implementation of CDM programs, customers are forecast to achieve cumulative energy savings of approximately 2,208 GWh by 2025 and peak demand savings of 68 MW*." What is the value of these savings based on current marginal cost estimates?

A. Newfoundland Power measures the value of CDM programs as the avoided costs of energy and capacity based on current marginal cost estimates. The benefits of CDM programs are established over the life of a technology or measure that is installed.[1]

The response to Request for Information CA-NP-006 shows the value of CDM programs from 2009 to 2022. Table 1 shows the same data, except extended to 2025.[2]

Table 1:
Reduced System Costs from CDM Programs
2009-2025F
($000s)

Year	Reduced System Costs
2009	369
2010	1,393
2011	4,140
2012	6,110
2013	6,899
2014	9,764
2015	8,790
2016	8,776
2017	15,213
2018	21,310
2019	26,178
2020	25,683
2021	20,650
2022	24,386
2023F	34,581
2024F	30,665
2025F	23,534
Total	**268,441**

The estimated value of CDM program savings from 2009 to 2025 is approximately $268 million.

[1] See response to Request for Information CA-NP-006, footnote 2.

[2] For details on how these values are calculated using the marginal costs, see response to Request for Information CA-NP-006, Attachment A.