

2025-07-17

Newfoundland and Labrador Hydro

Shirley Walsh

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Dear Ms. Walsh:

Re: Newfoundland and Labrador Hydro - Strategic Load Management Plan for Isolated Systems

In Order No. P.U. 25(2024), the Board acknowledged a potential issue relating to load growth and increased supply costs from electrification, such as through electric heating systems in isolated communities, and the resulting impact on Newfoundland Power customers through the Hydro Rural Deficit. In its decision the Board indicated it will provide separate direction requiring Hydro to address:

...a strategic load management plan for isolated systems that balances the requirement to supply adequate and reliable service with the requirement for providing service at the lowest possible cost in an environmentally responsible manner.

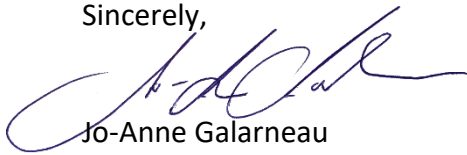
The Board requests that Hydro provide a proposed strategic load management plan by April 30, 2026. The strategic load management plan should include an assessment of its load management approach on isolated diesel systems, objectives of the plan, and the planned implementation/execution approach. This plan should address isolated diesel systems both in Labrador and the Island and include:

1. assessing the impact of increased electrification on isolated diesel systems and the planned approach to manage increased electrification (i.e., both from home heating perspective and the use of electric vehicles);
2. the balancing of Hydro's obligation to provide equitable access to an adequate supply of power and the provision of service at the lowest possible cost, in an environmentally responsible manner, consistent with reliable service;
3. the existing and planned customer engagement activities associated with load growth;
4. the existing and planned Conservation and Demand ("CDM") programs currently available and the plans for future CDM programs on isolated diesel systems; and
5. a Canadian jurisdictional review including:

- i) how utilities are managing load growth in the context of electrification, including pricing structures, and conservation and demand programs;
- ii) initiatives to transition away from diesel generation as the primary supply source either through renewable energy initiatives or transmission interconnections to the main grid;
- iii) government and/or utility policies by jurisdiction with respect to service limitations or specific policies to limit load growth and capital investments;
- iv) the availability of funding for capital investments associated with load growth to reduce the costs to be recovered through customer rates; and
- v) rate subsidization practices and the degree of subsidization provided to ratepayers including the incremental impacts of load growth on subsidization requirements.

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 by telephone 709-726-6781.

Sincerely,



Jo-Anne Galarneau
Executive Director and Board Secretary

JG/cj

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