

March 2, 2017

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: Newfoundland and Labrador Hydro – Application by Newfoundland and Labrador Hydro pursuant to sections 70 and 71 of the Act for approval of a Net Metering Program – Response Consumer Advocate's Request for Joint Hearing

Further to the Board's correspondence dated February 27, 2017, the following is Newfoundland and Labrador Hydro's (Hydro) response to the Consumer Advocate's February 24, 2017 request for a joint public hearing on Hydro's net metering application and similar application by Newfoundland Power Inc. (Newfoundland Power).

Background and Procedural History

In July 2015, the Government of Newfoundland and Labrador (the Government) released a Net Metering Policy Framework (the Framework). The Framework was developed by the Government in consultation with various stakeholders, including Newfoundland and Labrador Hydro (Hydro), Newfoundland Power, , staff of the Board of Commissioners of Public Utilities (the Board), the Consumer Advocate, the Sierra Club, the Newfoundland and Labrador Environmental Industry Association, and the Canadian Home Builders Association – Newfoundland and Labrador.

On December 2, 2016, Hydro filed an application for approval of a Net Metering Program for customers that is broadly consistent with the Framework and current public utility practice in North America. On December 19, 2016, Newfoundland Power filed its application for a Net Metering Service option, which was also broadly consistent with the Framework and public utility practice.

On January 10, 2017, the Board issued a Notice of Application (the Notice) on its website with respect to Hydro's and Newfoundland Powers net metering applications, advising persons or organizations that wished to comment on these applications that they could submit written letters of comment to the Board by February 1, 2017. This Notice was also posted in newspapers throughout the province and on the Board's website.

On January 25, 2017, the Board sent correspondence to Hydro, Newfoundland Power, Vale Newfoundland and Labrador Limited, Praxair Canada Inc., the Consumer Advocate, Teck Resources Limited, and the Industrial Customers, requesting that parties indicate by February 3, 2017, if they intended to participate in the Board's review of the applications. The Board advised that the date for the filing of Requests for Information (RFIs) was February 3, 2017 and indicated that further processes would be determined following receipt of public comments.

Only the Consumer Advocate indicated that it would be participating in the applications.

On February 7, 2017, the Board advised Hydro and Newfoundland Power that it had received public comments from four organizations from across the province, including Municipalities Newfoundland and Labrador, the Newfoundland and Labrador Environmental Industry Association, a building contractor qualified to construct net zero housing, and an energy sector trades organization. All organizations indicated that they supported the net metering applications.

On February 8, 2017, the Board set a schedule for responses by the utilities to RFIs, and for written submissions by parties and reply submissions by the utilities.

Hydro received 14 RFIs (29 questions) from the Consumer Advocate and 16 RFIs from the Board while Newfoundland Power received 16 RFIs (21 questions) from the Consumer Advocate and 15 RFIs from the Board. All RFIs were responded to by the deadline set by the Board.

On February 23, 2017, Hydro filed correspondence with the Board indicating that it supported Newfoundland Power's application, as filed.

The Consumer Advocate's Request

The Consumer Advocate has requested a public hearing on the net metering applications, indicating that "a hearing will attract interest among those who anticipate utilizing net metering services and it is anticipated that the media will take some interest in this concept which is being finally introduced into this province." The Consumer Advocate also suggested that the information coming from a hearing would allow customers to "undertake their own informed cost/benefit analyst when deciding to avail of this net metering option."

The Consumer Advocate's letter does not address the merits of Hydro's application or identify any issues or concerns that the Consumer Advocate has with the proposed net metering applications.

Hydro's Reply

It is Hydro's position that a public hearing on the net metering applications is unnecessary and that the process established by the Board for review of the applications has been sufficient to ensure that adequate information has been provided to the public and the Board to allow interested parties to participate in the process and permit the Board to make an informed decision.

The Consumer Advocate is suggesting that a public hearing will help attract interest to Hydro and Newfoundland Power's applications. Hydro submits that such interest has already been garnered. As noted above, a public Notice of Hydro's and Newfoundland Power's net metering applications was posted on the Board's website and published in newspapers across the province. The Notice clearly indicated that Hydro and Newfoundland Power had filed applications with the Board to offer programs to utility customers with the option to offset their own energy usage through small scale renewable generations, that the applications were available to be viewed on the Board's website, and that copies were available upon request to the Board. The Notice explained how persons who wished to participate in the application could file a written letter to the Board in person, by mail, or via email. The Notice also provided the contact information of the Consumer Advocate, should customers wish to contact him.

In addition to the Notice, on January 5 and 6, 2017, two local media outlets posted articles on their respective websites indicating that the utilities had submitted net metering applications to the Board and that the process was before the Board.¹ Hydro submits that a public hearing is not necessary to attract interest to the net metering applications.

The Consumer Advocate also submits that the information coming from a hearing would allow customers to undertake their own informed cost/benefit analysis when determining if they should avail of the net metering program. Hydro submits that it has provided a substantial amount of information about its proposed net metering program through the written process. For example, in its application Hydro provided: i) a report outlining Hydro's proposed Net Metering Program; ii) the Net Metering Program to be incorporated into Hydro's Schedule of Rates, Rules and Regulations, including other required revisions; iii) a copy of the Net Metering Policy Framework; iv) the Net Metering Exemption Order; v) the Net Metering Standard Industry Practices Study, completed by Navigant Consulting Ltd.; vi) Hydro's draft Net Metering Service Application Form; vii) Hydro's draft Net Metering Interconnection Agreement; and viii) a Sample Bill Calculation. Hydro has also responded to 30 RFIs.

¹ <http://vocm.com/news/net-metering-applications-submitted-to-p-u-b/> and <http://ntv.ca/utilities-submit-applications-for-net-metering-to-public-utilities-board/>

Hydro submits that the scope of the present matter is squarely within the types of matters normally put before the Board and determined through a written process² and that a deviation from the Board's established practice of reviewing such applications by means of a written process is not required. Further, Hydro submits that the Consumer Advocate has not raised any substantial issues or concerns that would require *vivo voca* evidence or cross examination. Absent such issues, Hydro submits that there is no reason for the Board to deviate from its normal practice of proceeding with a written process to hear such applications.

In addition, as noted in Schedule 1 to Hydro's Application, following approval of the its Net Metering Program, Hydro will post on its website the various documentation that pertain to the Net Metering Program, including but not limited to:

- Relevant information from the approved Net Metering Program in the form of a Q&A;
- Application form(s);
- Application processing procedures and guidelines; and
- Technical Interconnection Guidelines.

Hydro will also provide a general public announcement through available media channels and will include information on its availability directly to customers though bill inserts and e-mails.

Conclusion

Hydro submits that the Board has adequate information before it to make a determination in the above noted matter. No party has opposed the applications. If the Board requires further information, Hydro submits that this can be achieved through written submissions. Hydro further submits that the costs associated with a hearing are unnecessary and would only serve to delay the implementation of net metering by the utilities.

² Traditionally, public hearings have been reserved for General Rate Applications, Cost of Service Methodology Reviews, or Inquiries. Capital Budget Applications, Supplemental Capital Budget Applications, applications to vary the Schedule of Rules and Regulations, Applications for Contributions in Aid of Construction, and Capacity Assistance Agreements, have occurred through a written process. Such process encourages and promotes regulatory efficiency while providing interested parties with the opportunity to participate in matters under review by the Board.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Tracey L. Pennell
Senior Counsel, Regulatory

TLP/bs

cc: Gerard Hayes – Newfoundland Power

Dennis Browne, Q.C. – Consumer Advocate