Q. **Reference: Electrification, Conservation and Demand Management Report for the Year Ended December 31, 2024**

a) Please confirm that the CDM program achieved savings of 1019 MWh and 161 kW (non-coincident) in 2024. Does this equate to less than 7 hours of energy production and about 0.1% of the capacity from the proposed Avalon CT?

b) How have these results affected Hydro's IIS costs?

c) In light of the more than $2 billion NPV in additional cost between the expansion paths based on the 2025 Slow Electrification Load Forecast and the 2025 Reference Load Forecast (Table 2 of Evidentiary Update), should not substantially better results be targeted?

A. **a)** Newfoundland and Labrador Hydro's ("Hydro") confirms that its Conservation and Demand Management ("CDM") programming achieved total program savings of 1,019 MWh in 2024. Hydro notes that in 2025 its CDM portfolio achieved 1,742 MWh of energy savings. In 2025, approximately 60% of the CDM portfolio energy savings were achieved in isolated systems, with the remaining 40% coming from interconnected systems. In 2024, approximately 70% of the CDM portfolio energy savings were achieved in isolated systems, with the remaining 30% coming from interconnected systems. As the majority of these energy savings were achieved on systems other than the Island Interconnected System, it would not be appropriate to compute these program results in terms of proposed thermal generation resources on the Island Interconnected System.

CDM programs in the province are offered under the TakeCharge brand, a joint partnership between Hydro and Newfoundland Power Inc. ("Newfoundland Power"). Despite the joint customer-facing TakeCharge brand, CDM reporting is separated by each respective utility's customer base. In order to weigh the full impact of CDM on the Island Interconnected System, Newfoundland Power's CDM program results must also be considered, as they

serve the majority of customers on the island portion of the province (approximately 280,000 at the end of 2025).[1] The CDM programming results noted in this response represent only those achieved from Hydro's approximately 39,600 rural customers across all systems.[2] Hydro serves approximately 23,350 rural customers on the Island Interconnected System.

b) Given Hydro serves so few customers on the Island Interconnected System, the cost of its CDM programming on this system is low relative to the overall cost of service. For example, the Board of Commissioners of Public Utilities approved an updated CDM Cost Recovery Adjustment reflecting Hydro's 2024 CDM costs in Order No. P.U. 22(2025), reflecting an increase of approximately $0.1 million or 0.01% end-customer rate increase.[3]

c) Newfoundland Power serves the majority of customers and therefore provides the majority of CDM programming on the Island Interconnected System. The Island Interconnected System annual load forecast includes CDM savings that are based on the five-year CDM plan.[4] Hydro notes that Newfoundland Power reported 26,138 MWh annual energy savings and 13,564 kW peak demand savings achieved by new participants in 2025 per its most recent CDM Report.[5]

[1] "Newfoundland Power Inc. 2025 Annual Returns," Newfoundland Power Inc., March 31, 2026, Return 14, notes 279,640 customers at the end of 2025.
[2] Hydro serves and provides CDM programming to customers on the Island Interconnected System, Labrador Interconnected System, L'Anse-au-Loup System, Labrador Diesel Systems, and Island Diesel Systems. Hydro also provides CDM programming to Industrial customers in the province.
[3] CDM costs are recovered using a ten-year amortization period. As of July 2025, the total CDM Cost Recovery Rider charged to Newfoundland Power was approximately $1.1 million, reflecting CDM costs incurred to deliver programming across all of Hydro's systems. These amounts do not include CDM recovery from the Island Industrial Customers.
[4] "Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025," Newfoundland and Labrador Hydro, rev. July 8, 2021 (originally filed June 16, 2021).
[5] "2025 Conservation, Demand Management and Electrification Report," Newfoundland Power Inc., April 23, 2026, p. 2, Table 1.