

1 **Q. (2021 Electrification, Conservation and Demand Management Application, Cover**
2 **Letter, page 2 of 3, page 3 of Application Volume 1) It is stated in the Cover Letter**
3 **“the Application does not contain any proposals related to customer CDM programs.”**
4 **Page 3 of the Application states (line 11) “The current multi-year plan provides for**
5 **customer programs to year-end 2020.” Specifically, what are NP’s current plans for**
6 **gaining approval of a CDM program going forward?**

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8 A. Newfoundland Power plans to continue implementing customer CDM programs in a
9 manner that complies with all applicable orders of the Board.¹

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11 By Order No. P.U. 13 (2009), the Board approved a Conservation Cost Deferral Account
12 to provide for the deferred recovery of CDM program costs. By Order No.
13 P.U. 13 (2013), the Board approved a change in the definition of the deferral account,
14 which is currently titled the CDM Cost Deferral Account. Order No. P.U. 13 (2013) also
15 approved the amortization of CDM program costs over 7 years through the annual Rate
16 Stabilization Account adjustment.² The CDM Cost Deferral Account continues to
17 provide for the deferred recovery of CDM program costs over 7 years.

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19 By Order No. P.U. 18 (2016), the Board approved the use of the Total Resource Cost test
20 and the Program Administrator Cost test to evaluate the cost-effectiveness of customer
21 CDM programs.³ These tests remain consistent with sound utility practice.⁴
22 Newfoundland Power continues to use these tests to ensure customer CDM programs are
23 cost-effective for customers and the utility.⁵

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25 All prior Board approvals for customer CDM programs continue to remain appropriate.
26 Accordingly, the Application does not contain any new proposals relating to the
27 implementation of customer CDM programs.

¹ See the *2021 Electrification, Conservation and Demand Management Application*, Volume 1, Evidence, page 3, lines 1 to 5.

² *Ibid.*, page 5, line 16 *et seq.*

³ *Ibid.*, page 6, lines 6 to 9.

⁴ *Ibid.*, page 13, footnote 33.

⁵ *Ibid.*, page 13, table 3.