

1 **Q. Newfoundland Power’s response to PUB-NP-029 states the proposed mTRC test “is**
2 **designed to ensure customer programs are cost-effective from both a customer and**
3 **utility perspective.”**

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5 **a) Is the customer cost-effectiveness assessed at the individual customer level i.e.**
6 **only those customers who purchase EVs?**

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8 **b) Are individual customer incentives provided by the utility accounted for in this**
9 **assessment?**

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11 *A. This Request for Information relates to the Electrification, Conservation and Demand*
12 *Management Plan: 2021-2025 (the “2021 Plan”) developed in partnership by*
13 *Newfoundland Power and Newfoundland and Labrador Hydro (“Hydro” or, collectively,*
14 *the “Utilities”). Accordingly, the response reflects collaboration between the Utilities.*

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16 a) Yes, the mTRC test assesses the cost-effectiveness of electrification programs for
17 customers who participate in those programs. This ensures that programs will
18 provide a net benefit to participating customers.

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20 The mTRC test also considers whether the Utilities’ costs to deliver a program are
21 less than or greater than the benefits provided to customers. If the Utilities’ costs to
22 deliver a program were greater than the benefits provided to customers, utility
23 investment in that area would not be justified.

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25 The mTRC test is used in conjunction with a net present value analysis to confirm
26 that electrification programs will provide a benefit to all customers. For more
27 information, see response to Request for Information PUB-NP-054.

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29 b) Incentives provided by the Utilities are not included in the mTRC test as they have a
30 neutralizing effect.¹ This is because these incentives are considered a benefit to
31 customers and a cost to the Utilities.²

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33 The exclusion of these incentives as part of cost-effectiveness testing is consistent
34 with the Utilities’ approach for evaluating conservation and demand management
35 programs using the Board-approved Total Resource Cost test.

¹ Non-utility incentives, such as incentives provided by the Federal Government, are accounted for in the mTRC test.

² For example, an incentive of \$2,500 for an electric vehicle would decrease customers’ equipment costs by that amount, while simultaneously increasing program administration costs by the same amount.