

1 Q. Will all the electrification and CDM program expenditures under the 2021 Plan have to pass the
2 modified Total Resource Cost (mTRC) test prior to a request to the Board for approval? If Board
3 approval is not needed, would Hydro proceed with programs that do not pass the mTRC test?

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6 A. *This Request for Information relates to the Electrification, Conservation and Demand*
7 *Management Plan 2021–2025 (“2021 Plan”) developed in partnership by Newfoundland and*
8 *Labrador Hydro (“Hydro”) and Newfoundland Power Inc. (“Newfoundland Power”) (collectively,*
9 *the “Utilities”) and the related Technical Conference presented by the Utilities on February 1,*
10 *2022. Accordingly, the response reflects collaboration between the Utilities.*

11 Conservation and Demand Management (“CDM”) programs are evaluated using the Total
12 Resource Cost (“TRC”) test and the Program Administrator Cost (“PAC”) test in accordance with
13 Board Order No. P.U. 18(2016).¹ All CDM programs included in the 2021 Plan pass both the TRC
14 and PAC tests. The Utilities would not proceed with CDM programs that do not pass both the
15 TRC and PAC tests. For example, the Utilities offered a rebate program for ENERGY STAR
16 windows until 2014. ENERGY STAR windows became the industry standard at that time, which
17 increased free ridership in the program and resulted in it no longer being cost-effective to offer
18 to customers.

19 Electrification programs are proposed to be evaluated using the modified Total Resource Cost
20 (“mTRC”) test. All electrification programs included in the 2021 Plan have passed the mTRC test.
21 The Utilities would not proceed with electrification programs that do not pass the mTRC test.²

22 Costs associated with CDM and electrification programs that pass the required tests approved
23 by the Board of Commissioners of Public Utilities (“Board”) would be included in the respective

¹ *Public Utilities Act*, RSNL 1990, c P-47, Board Order No. P.U. 18(2016), Board of Commissioners of Public Utilities, June 8, 2016.

² Approving tests for economic evaluation rather than specific programs enables the Utilities to adapt programming in response to market changes.

1 deferral accounts and recovered through customer rates.³ Board oversight of program costs
2 would continue to be achieved through annual reporting requirements and general rate
3 applications. Please refer to Hydro’s response to TC-CA-NLH-002 for further information.

³ Electrification program costs are proposed to be recovered through the Electrification, Conservation and Demand Management Cost Deferral Account. Please refer to "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), sch. 1, app. B.