

1 **Q. (Reference slide 21)**

2 **(a) Please decompose the annual capital costs (Column A) into their main components**
3 **and similarly for program costs (Column B) decompose into the separate**
4 **programs (presumably the three programs listed on slide 13).**

5 **(b) Regarding Incremental System Costs (Column D), what is the source of these costs**
6 **considering that the electricity would otherwise still have been produced for**
7 **export and therefore have entailed system costs?**

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

15
16 (a) The capital cost of the electric vehicle (“EV”) charging infrastructure is the only
17 component included in Column A.

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19 See response to Request for Information PUB-NP-063 for a breakdown of the
20 program costs included in Column B over the period 2021 to 2025.

21
22 Program costs following 2025 reflect costs associated with future EV load
23 management programs. The 2021 Plan includes initiatives to assess the best options
24 for future EV load management programs.¹ Effective load management programs
25 will be implemented following this assessment and prior to EV adoption driving
26 significant increases in system load.

27
28 The Utilities’ approach to piloting EV load management is consistent with the
29 recommendations of the market potential study completed by Dunskey Energy
30 Consulting.

31
32 See Section B in response to Request for Information PUB-NP-037 for further
33 information on load management initiatives included in the 2021 Plan.

¹ Options include the use of smart chargers and direct-load controllers. Incentives may be used to cover equipment purchases or to provide a monthly participation credit for allowing the utility to manage their EV charging. The costs included in Column B post-2025 reflect this approach.

1 (b) The Incremental System Costs included in Column D reflect the marginal energy and
2 capacity cost projections for the Island Interconnected System following
3 commissioning of the Muskrat Falls Project.²
4

5 The marginal energy costs are based on export prices. Energy produced from the
6 Muskrat Falls Project will either be consumed domestically or exported. The
7 marginal energy costs included in Column D reflect the lost revenues associated with
8 the export revenues forgone to consume the energy domestically to receive the higher
9 revenues included in Column C.
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11 See response to Request for Information TC-CA-NP-006 for further information on
12 the system and cost dynamics on the Island Interconnected System following
13 commissioning of the Muskrat Falls Project.

² See Newfoundland Power's Application, Volume 2, Schedule H.