

**Q. Conservation and DSM**

Further to the response to IC-NLH-004 and PUB-NLH-021 provide the marginal costs and supporting analysis currently used to value conservation and demand management programs and expenditures.

**A.** The marginal cost estimates currently used to value conservation and demand management programs are provided below in Table 1.

**Table 1**

**Marginal Energy Cost Estimates at End Use Customer Meter**

<b>Year</b>	<b>2013 \$/MWh</b>	<b>Year</b>	<b>2013 \$/MWh</b>
2013	167.67	2023	62.23
2014	154.64	2024	63.98
2015	151.34	2025	65.86
2016	152.87	2026	66.84
2017	44.99	2027	67.86
2018	48.69	2028	68.92
2019	52.70	2029	69.96
2020	57.08	2030	71.05
2021	58.76	2031	71.12
2022	60.48	2032	71.20

**Notes:**

1. Modelled as per NERA Economic Consulting marginal cost approach (2006).
2. Isolated Island costs through 2016. Post 2016 reflects NERA Economic Consulting's 2006 assumptions of the opportunity costs associated with electricity market prices following the 2016 interconnection between the Island and Labrador.
3. Island fuel costs and market prices as per Nalcor Corporate Assumptions, January 2013.
4. Excludes transmission marginal costs.

Hydro delivers a number of energy efficiency programs in partnership with Newfoundland Power (NP) through the takeCHARGE program. The utilities use a Total Resource Cost (TRC) test to evaluate the economics of the efficiency

1 programs. This cost-benefit ratio test is in accordance with the California Standard  
2 Practice Manual developed by the California Public Utility Commission (CPUC) and  
3 the California Energy Commission (CEC). The economic tests are updated annually  
4 for the programs and are included in NP's Conservation and Demand Management  
5 Reports that are filed annually with the PUB.