Newfoundland and Labrador Hydro
Hydro Place. 500 Columbus Drive
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 I f. 709.737.1800
nlhydro.com

April 10, 2026

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Mike McNiven
Board Secretary

Re: Electrification, Conservation and Demand Management Report for the Year Ended December 31, 2025

Please find enclosed Newfoundland and Labrador Hydro's Electrification, Conservation and Demand Management Report for the year ended December 31, 2025.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/mc

Encl.

ecc:

Board of Commissioners of Public Utilities
Jacqui H. Glynn
Ryan Oake
Board General

Island Industrial Customer Group
Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Glen G. Seaborn, Poole Althouse

Iron Ore Company of Canada
Gregory A.C. Moores, Stewart McKelvey

Labrador Interconnected Group
Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Consumer Advocate
Adrienne H.Y. Ding, O'Dea Earle
Justin W. King, O'Dea Earle

Teck Resources Limited
Darren Hennessey

Linde Canada Inc.
Sheryl E. Nisenbaum
Peter Strong

Newfoundland Power Inc.
Dominic J. Foley
Douglas W. Wright
Regulatory Email

Electrification, Conservation and Demand Management Report

For the Year Ended December 31, 2025

April 10, 2026

A report to the Board of Commissioners of Public Utilities

newfoundland labrador hydro

Contents

List of Appendices

1.0 Introduction

Electrification, Conservation and Demand Management ("ECDM") activities undertaken by Newfoundland and Labrador Hydro ("Hydro") include programs specifically targeted to Hydro's customers as well as joint utility programs offered by both Hydro and Newfoundland Power Inc. ("Newfoundland Power") (collectively, the "Utilities") through the takeCHARGE partnership. The purpose of this report is to provide a summary of the costs and initiatives implemented by Hydro, including Hydro's portion of costs related to the delivery of joint initiatives in 2025.

In 2025, Hydro's residential, commercial, and industrial ECDM programs yielded a total 1,742 MWh of annual incremental energy savings. Since 2009, Hydro has accumulated energy savings of 59,648 MWh through these programs.

2.0 Coordination and Context

2.1 Utility Planning

Starting with the initial ECDM plan in 2008, the Utilities have designed and implemented a joint utility portfolio of programs for electricity customers within the province. Currently, programs offered through the joint utility model provide rebate options to incentivize energy and demand savings for residential and commercial electricity customers. The Utilities continuously evaluate customer conservation programs and periodically undertake third-party program evaluations to refine program design and support future planning.

ECDM activities for 2025 included the continuation of the residential and commercial rebate programs, the Isolated Community Energy Efficiency Program ("ICEEP"), the Industrial Energy Efficiency Program, and the delivery of government-funded programs. The description of the programs offered during 2025 through the joint utility partnership, including those specific to Hydro's customers, are provided in Appendix A of this report.

2.2 Government Engagement and Programming

Building on its long-term partnerships, Hydro works directly with both the Nunatsiavut Government and the NunatuKavut Community Council on the delivery of energy efficiency programs in their respective communities. Building upgrades, direct install of energy efficient products, and the co-delivery of programs benefit the local communities and increases the effectiveness of Hydro's ECDM programming.

Hydro continues to have a positive working relationship with both the provincial and federal governments and remains engaged in dialogue on potential programming, policy, and partnership opportunities. Through these partnerships, Hydro delivered two government-funded programs to customers in 2025 – the Electric Vehicle Rebate Program and the Oil to Electric Rebate Program.[1] These programs are fully cost recovered and required no funds from ratepayers.

Additionally, Hydro secured $2.7 million in cost-shared funding through Natural Resources Canada's Green Industrial Facilities and Manufacturing Program ("GIFMP") to expand the ICEEP offerings to manufacturing facilities. This funding is helping drive additional energy efficiency programming in Hydro's isolated communities, primarily through deep energy retrofits at isolated fish plants.

2.2.1 Electric Vehicle Rebate Program

The Electric Vehicle Rebate Program is intended to encourage the purchase of an electric vehicle ("EV") through a $2,500 rebate for Battery Electric Vehicles ("BEV") and a $1,500 rebate for Plug-in Hybrid Electric Vehicles ("PHEV"). In 2025, the program approved a total of 604 rebate applications; 343 were for BEV and 261 were for PHEV. The Electric Vehicle Rebate Program has certain eligibility requirements including a customer application post-sale, therefore it does not capture 100% of EV sales within the province; however, 604 EV sales in 2025 represents 1.7% of total vehicle sales in Newfoundland and Labrador.[2]

2.2.2 Oil to Electric Rebate Program

The Oil to Electric Rebate Program provides rebates to help customers transition oil-heated homes to electric-based space heating. In 2025, the program provided a total of 209 rebates for customers in Hydro communities who removed their oil heating system and replaced it with an electric alternative;[3] of the 209 conversions in Hydro's service territory, over 95% of customers converted to heat pumps, which are the most efficient alternative with the lowest impact on the electrical system. Year five of the program launched in April 2025 and was delivered by both Utilities under the takeCHARGE partnership.[4]

[1] The Commercial EV charger program concluded in 2024.
[2] Based on 36,420 new vehicle sales in Newfoundland and Labrador as reported by Statistics Canada.
[3] This program is offered under takeCHARGE with each utility being responsible for their respective customers. Previous versions of the program were administered exclusively by Hydro to all customers.
[4] Hydro delivered this program in year one and year two on behalf of the provincial government. With takeCHARGE delivering programming in year three, four, and five each utility is responsible for rebating customers in communities within its own territory.

2.3 Electrification System Impacts

Hydro is closely monitoring the results of these government-funded programs delivered by the Utilities to better understand the potential impacts on the electrical system from electrification. Hydro's experience with these programs will continue to help inform demand management strategies and customer education opportunities to limit the cost impacts on the electrical system from electrification. Hydro has also worked closely with the provincial government on changes to program design, which is resulting in more customers selecting technology choices with lower system impacts (i.e., heat pumps versus electric resistance heat).

Data and trends seen through this programming continues to help inform Hydro's load forecasts for system planning purposes.

3.0 2025 ECDM Program Costs and Energy Savings

3.1 Portfolio Level Program Costs and Energy Savings

Table 1 provides customer participation,[5] annual energy savings, non-coincident peak demand savings and Levelized Utility Cost ("LUC")[6] for each ECDM program in 2025.

[5] The transaction units are specific to each program. The Insulation and Air Sealing, and Heat Recovery Ventilators ("HRV") Programs reflect approved rebates. The Energy Savers Kit Program participation indicates the number of kits that have been mailed to approved applicants. The ICEEP, both residential and commercial, denotes the number of residential and commercial customer premises that received direct installations. The Business Efficiency Program, Isolated Systems Business Efficiency Program, and Industrial Energy Efficiency Program reflect the number of completed retrofit projects.

[6] LUC is a method used to compare costs associated with conservation programs to the value of energy saved. The LUC represents the economic cost to the utility (cents per kWh) to achieve those energy savings. LUC is an industry metric that is calculated by discounting future energy savings resulting from conservation programs to a present value.

Table 1: Hydro's 2025 ECDM Program Participation, Savings, and Levelized Utility Cost (LUC)[7]

	Customer Participation (Customers)	Annual Energy Savings (MWh)	Non-Coincident Demand Savings (kW)	LUC (¢/kWh)
Residential Programs				
Insulation and Air Sealing	43	119	84	11.0
HRV[8]	-	-	-	-
Energy Savers Kits	668	564	151	2.3
ICEEP (Residential)	382	423	28	23.2
Commercial Programs				
Business Efficiency Program	2	7	3	179.3[9]
Isolated Systems Business Efficiency Program	-	-	-	-
ICEEP (Commercial)	39	210	25	19.8
ICEEP (GIFMP)	5	419	-	0.7[10]
Industrial Energy Efficiency Program	-	-	-	-
Total All Program	**1,139**	**1,742**	**291**	**11.1**

In Board Order No. P.U. 33(2022), Hydro's proposed revisions to the existing ECDM Cost Deferral Account to allow deferral of ECDM costs incurred for the Labrador Interconnected System was approved beginning in 2023. Hydro's total ECDM expenses from 2021 to 2025 across all of Hydro's systems are described in Table 2.

[7] Numbers may not add due to rounding.
[8] No HRV rebates were distributed by Hydro in 2025. Hydro's costs of the program are representative of shared costs with Newfoundland Power.
[9] The Business Efficiency Program includes non-recurring costs in 2025 related to the Conservation, Demand Management, and Electrification Potential Study and a program evaluation.
[10] GIFMP LUC has been calculated using only Hydro costs, as the majority of program costs were funded by NRCan.

Table 2: Hydro's ECDM Portfolio Costs ($000)[11,12,13]

	2021	2022	2023	2024	2025
General Costs					
Education	67	69	71	76	81
Support	47	23	24	25	27
Planning	135	138	142	151	163
Total General Costs	**249**	**230**	**236**	**252**	**271**
Program Costs					
Thermostats	58	19	4	7	-
Insulation and Air Sealing	83	70	145	141	124
HRV	4	2	7	17	8
Instant Rebates	102	36	68	(2)[14]	-
Energy Savers Kits	-	17	59	51	62
Business Efficiency Program	77	83	112	154	103
Small Business Direct Install Pilot[15]	-	-	24	3	-
Isolated Systems Business Efficiency Program	43	18	29	11	6
ICEEP[16]	1,124	866	926	983	985
Industrial Energy Efficiency Program	14	14	18	44	5
Total Program Costs	**1,505**	**1,126**	**1,392**	**1,409**	**1,293**

Based on Board Order No. P.U. 18(2016), the cost-effectiveness of ECDM programs is evaluated using the Total Resource Cost ("TRC") and Program Administrator Cost ("PAC") test. Table 3 and Table 4 provide the TRC and PAC test results for ECDM programs Hydro contributed to in 2025. Table 3 includes the TRC and PAC test scores for joint utility programs under the takeCHARGE partnership[17] for the combined Island Interconnected System. Table 4 includes cost effectiveness results for the Isolated Systems, which are provided by Hydro only. TRC and PAC tests are a benefit-to-cost ratio where a result of 1.0 or greater indicates that a program is cost-effective.

[11] Numbers may not add due to rounding.
[12] The Insulation and Air Sealing, Business Efficiency Program and Industrial Energy Efficiency Program include costs in 2024 and 2025 related to the Conservation, Demand Management, and Electrification Potential Study.
[13] The Thermostat and Instant Rebates programs concluded in 2023. Costs in 2024 reflect the close-out of these programs.
[14] This negative entry reflects an adjusted total which included an over-accrual from 2023 that was greater than the value of rebates granted in 2024.
[15] This pilot program concluded in 2024.
[16] The Isolated Systems Business Efficiency Program costs in 2025 include an energy model.
[17] Joint utility programs include the Thermostats, Insulation and Air Sealing, HRV, Energy Savers Kit, and Business Efficiency Program.

Table 3: Island Interconnected System Combined ECDM Portfolio Cost-Effectiveness Results[18]

Program	TRC Test	PAC Test
Insulation and Air Sealing	3.2	3.2
HRV	1.4	1.7
Energy Savers Kits	4.2	4.2
Business Efficiency Program	1.1	1.8

Table 4: Isolated Systems ECDM Portfolio Cost-Effectiveness Results

Program	TRC Test	PAC Test
Isolated Systems Business Efficiency Program[19]	N/A	N/A
Isolated Community Energy Efficiency Program	1.3	1.2

3.2 Residential Programs

Hydro's residential portfolio included three programs offered jointly by the Utilities (Insulation and Air Sealing, HRV, and the low-income Energy Savers Kit) and one program offered solely by Hydro (ICEEP). Throughout 2025, Hydro continued to promote the takeCHARGE programs and technologies. Local advertising and building partnerships with retailers remain priorities and are integral factors in the promotion of customer rebate programs. Cumulatively, these programs yielded 1,106 MWh of savings in 2025, above Hydro's target of 881 MWh.

3.3 Commercial Programs

Hydro's commercial portfolio includes the Business Efficiency Program, offered jointly through the Utilities to provide prescriptive and custom rebates for commercial energy efficiency projects. Hydro also offers the Isolated Systems Business Efficiency Program to commercial customers in its isolated regions to provide technical support to identify economical energy efficiency opportunities and financial support for capital upgrades. In 2025, Hydro partially funded an energy model through the Isolated

[18] Results include the provincial portfolio results for the Island Interconnected System for both Utilities as well as the cost effectiveness scores from Hydro's Isolated Energy Efficiency Programming.

[19] As noted in Table 1, there were no energy savings under Isolated Systems Business Efficiency Program in 2025. Please see Section 3.3 for details of Commercial Energy Savings under Isolated Systems Business Efficiency Program in 2025.

Systems Business Efficiency Program for a commercial new construction project in a diesel generated community. The purpose of the energy model was to analyze the operating costs and energy savings of various potential energy efficiency measures.

Additionally, Hydro provided direct installations of Light Emitting Diode ("LED") lighting to several commercial customers in isolated communities and offered expanded GIFMP programming through the Isolated Community Energy Efficiency Program. GIFMP programming included installation of two commercial cold climate heat pumps to displace resistance electric heat, and a Strategic Energy Management program which identified 240 MWh of low and no cost energy efficiency measures at production facilities (discussed further in Section 3.4.2). Cumulatively, these programs yielded 636 MWh of energy savings for commercial customers in 2025, exceeding Hydro's target of 390 MWh.

3.4 Isolated Community Energy Efficiency Program

The ICEEP targets residential and commercial customers in Hydro's isolated diesel systems. The objective of the program is to provide outreach, education, and energy-efficient products to residential and business customers in the diesel system communities within Newfoundland and Labrador. From 2012 to 2025, the program has installed over 190,000 energy efficient products in 908 business visits and over 9,000 home visits, achieving over 14 GWh in energy savings. The program has also increased local knowledge of energy efficiency, provided employment for 60 local residents, and improved the energy efficiency of local homes and businesses.

3.4.1 2025 Isolated Community Energy Efficiency Program – Residential

Residential ICEEP offerings in 2025 included the distribution of energy efficiency kits containing energy saving products to select eligible residents in fifteen isolated diesel communities. Successful outreach and engagement within communities resulted in the distribution of kits to 382 households with a total of 11,996 energy efficiency products. The kits consisted of water-saving technologies, LED specialty bulbs, smart power strips, and weather-stripping products. In addition to energy savings, the provision of energy savings kits to community members acted as an important opportunity for community engagement and local relationship building in the region. This program resulted in 423 MWh of annual electrical energy savings.

3.4.2 2025 Isolated Community Energy Efficiency Program – Commercial

Direct installations of LED commercial lighting were completed based on opportunities identified during audits and data collected during previous surveys. Direct installations included the installation of LED tubes, LED wallpacks, and High-Intensity Discharge replacement bulbs. Across seven communities, 33 commercial buildings received lighting upgrades, which resulted in annual energy savings of 210 MWh.

In 2024, Hydro was awarded $2.7 million in cost-shared funding through Natural Resources Canada's ("NRCAN") GIFMP to expand the ICEEP offerings for manufacturing facilities in isolated communities (funding announced by NRCAN February 2025).[20] This program provides up to 50% funding for participating for-profit customers, and up to 100% for Indigenous and not-for-profit organizations.[21] In 2025, ICEEP provided a Strategic Energy Management ("SEM") program and facilitated capital upgrades to participating facilities with the goal of reducing their energy consumption and costs.

A SEM program is a structured process used to improve a facility's energy performance by integrating energy management into practices, policies and processes primarily through low-cost and no-cost measures. The SEM program is facilitated by a qualified energy practitioner that provides coaching and technical support to participants. In June 2025, site visits were completed by the SEM team at nine isolated fish plants to develop opportunity registers for potential energy efficiency projects. Facilities worked with SEM coaches to implement measures that were outlined in their opportunity registers such as reducing compressed air supply pressures, optimizing cooker equipment, and improving boiler sequencing which resulted in 240MWh of annual electrical energy savings.

In 2025, several capital upgrade projects were scoped for GIFMP eligible fish plants for measures including heat pumps, freezer door replacements, and air curtains. One capital upgrade was completed using GIFMP funding for the installation of two heat pumps to supplement the existing electric forced air unit heaters yielding 179MWh of annual electrical energy savings. Further capital upgrades are planned for 2026 utilizing GIFMP funding.

[20] https://www.canada.ca/en/natural-resources-canada/news/2025/02/greening-the-diesel-powered-industry-in-newfoundland-and-labrador.html

[21] The majority of participants in Hydro's programming have qualified for 100% funding through GIFMP. For customers at the 50% funding threshold, Hydro and the customer share the remaining costs.

3.5 Biomass Space Heating

Electrification of space heating continues to be a trend in Hydro's isolated communities. This trend is being driven by challenges associated with heating oil supply and equipment service, as well as customers desire to move away from fossil fuel-based heat sources for environmental reasons.

In response to this change in the market, Hydro is investigating biomass heating programming for both its residential and commercial customers. Biomass (wood) space heating is a traditional heat source which was identified through Hydro's 2023 'Innovation Day'[22] event as an energy source with significant potential and local support.

In 2024, Climate Forest Canada ("CFC") was engaged to investigate the economic and supply-chain factors related to wood-fuel supply and demand in the isolated communities. In 2025, CFC issued a report reviewing current information on firewood supply, demand and logistics for remote Labrador communities. The report identified the lack of supply chain for dry, seasoned wood as a primary barrier to widespread adoption of wood heating. Hydro will continue its efforts to support an expansion to the wood heat ecosystem in costal Labrador communities. Collaboration with the Government institutions is also on-going for data collection on existing heating systems to validate energy savings from the implementation of new wood heating systems. To date, Hydro has found limited customer interest in new installs of biomass heating appliances in Southern Labrador. Hydro continues to investigate the potential of this program in its isolated service areas.

3.6 Industrial Program

Since 2010, Hydro has delivered the Industrial Energy Efficiency Program, which offers support and financial incentives for Hydro's Industrial customers based on projects for lighting retrofits, process improvements, equipment changes, loss prevention (e.g., heat, steam energy), and funding for energy audit consultant reports. Promotion of the Industrial Energy Efficiency Program is facilitated through Hydro's Key Account Management Framework to support improved project planning, scheduling, and execution. Within this framework, industrial customers are directly engaged with their Key Accounts Specialist to assist with the Industrial Energy Efficiency Program. This also allows Hydro to better

[22] Hydro provided further information on its Innovative Day event in Section 3.4.3 the Electrification, Conservation and Demand Management Report for the Year Ended December 31, 2023.

understand customer facilities, processes, plans, and schedules for potential efficiency improvement projects.

In 2025, no industrial energy efficiency projects were completed; however, Hydro's Key Accounts Specialist remains engaged with industrial customers to assist with future projects, should customers want to pursue them.

4.0 Electrification

In 2024, Hydro continued work to expand the existing public EV charging network in the province. In Board Order No. P.U. 21(2023), a project to add Direct Current Fast Chargers ("DCFC") to some of Hydro's most utilized sites was approved. The project is in partnership with the Government of Newfoundland and Labrador and the Government of Canada. The Project includes 11 Ultra-Fast charging stations which are expected to be fully released for public use in 2026.[23]

Table 5 and Table 6 show the number of sessions, the energy usage and revenue from each Hydro owned public EV charging site for 2025.[24]

[23] The project is in partnership with the provincial government who will fund the majority of the capital cost of $2.7 million; Hydro will contribute the remaining funds necessary. The capital funds are not proposed for inclusion in its regulated rate base for recovery from customers at this time.

[24] Each charging site includes one DCFC and one Level 2 charger.

Table 5: 2025 Electric Vehicle Charging Stations Statistics – Non-Regulated[25]

Charger Location	Number of Sessions	Energy Usage (kWh)	Revenue[26] ($)
Bishop's Falls	940	28,788	8,623
Churchill Falls	58	3,107	988
Corner Brook	1,180	37,800	12,239
Deer Lake	1,394	40,720	12,560
Galway	3,764	106,204	34,339
Gander	1,520	47,770	14,453
Glovertown	979	28,907	8,397
Goobies	2,617	64,043	19,271
Holyrood	1,290	25,945	8,267
Happy Valley-Goose Bay	222	8,696	2,757
Labrador City	287	12,573	3,916
Channel-Port aux Basques	505	14,918	4,714
Port Blandford	1,031	27,753	8,003
Rocky Harbour	410	11,209	3,503
South Brook	869	22,881	6,882
Stephenville	327	9,244	3,100
Whitbourne	2,520	52,394	15,843
Total	**19,913**	**542,951**	**167,855**

Table 6: 2025 Electric Vehicle Charging Stations Statistics – Regulated[27]

Charger Location	Number of Sessions	Energy Usage (kWh)	Revenue[28] ($)
Birchy Head	150	3,942	1,254
Cow Head	165	4,359	1,391
Flowers Cove	165	5,091	1,529
Port au Choix	99	3,107	1,039
Roddickton	24	547	189
St. Anthony	109	3,053	1,014
Total	**712**	**20,099**	**6,416**

[25] Numbers may not add due to rounding.
[26] Gross revenues.
[27] Numbers may not add due to rounding.
[28] Gross revenues.

5.0 Planning and Evaluation

The Utilities engage in external third-party evaluations and surveys to evaluate changes in market factors that impact the delivery of ECDM programs and to measure customer awareness, interest, and uptake in current programs. In 2025, the Utilities completed an annual marketing survey to assess home energy use and energy saving practices, as well as awareness of, and participation in, takeCHARGE programs.

In December 2023, the Utilities contracted with Posterity Group Consulting Inc. to undertake the Conservation, Demand Management, and Electrification Potential Study to assess the technical, economic, and achievable potential for conservation, demand management, and electrification activities on the Island Interconnected System from 2025 to 2040. The study concluded in 2025 and will be used by the Utilities to develop the next multi-year plan for electrification, conservation and demand management.

6.0 Outreach and Support

During 2025, Hydro continued to partner with Newfoundland Power to deliver the takeCHARGE program, which offers customer education and conservation awareness activities, primarily through promotion of its takeCHARGE rebate programs and outreach activities. Residential and business programs were promoted through activities including media marketing, targeted promotions, community outreach, school contests, trade ally development, and partnerships. Marketing campaigns included radio, online, and social media advertisements. Campaigns run throughout the year for insulation, HRVs, heat pump education, and the Business Efficiency Program. The media chosen is based on the time of year that programs are in-market and consumer purchasing behaviours.

The takeCHARGE team is also active on social media through a joint utility Facebook page (which has garnered over 16,720 likes), a YouTube channel, accounts on social media platforms X, Instagram, and LinkedIn, as well as an official website. The takeCHARGE website continues to be a leading source of information for customers seeking energy-efficiency information.

The ‘takeCHARGE of Your Town’ initiative invites municipalities to submit proposals that will support their efforts to develop or improve energy conservation or energy-efficiency projects. In 2025, Hydro awarded the Town of St. Alban’s $10,000 to complete an LED lighting upgrade in their gymnasium and community centre.

takeCHARGE offered two school contests for students; one for kindergarten to sixth grade and the other for seventh to twelfth grade. These contests aim to increase student understanding of why saving energy is important and to demonstrate what they can do to conserve energy. In 2025, nine groups were awarded prizes ranging from $500 to $2,500.

The 16th annual takeCHARGE Energy Efficiency Week (September 22 to 28, 2025) and Business Efficiency Week (October 20 to 26, 2025) were dedicated to providing customers with information to assist them in saving energy and money through reducing their energy consumption. A full social media campaign was launched during each week and webinars were held to engage customers.

The 7th annual takeCHARGE Luminary Awards were held in 2025. The awards program provides an opportunity to recognize companies, individuals, and communities contributing to energy efficiency in Newfoundland and Labrador. On October 22, 2025, the Luminary Awards event was held in-person and virtually, allowing all award winners to attend.

In 2025, takeCHARGE received the Pinnacle Award of Merit from the International Association of Business Communicators in the Special Events Category. This award recognizes marketing and communication in the planning and execution of a special event for the 15-year takeCHARGE anniversary campaign.

7.0 Conclusion

In 2025, Hydro continued to promote ECDM as a component of resource planning in Newfoundland and Labrador. ECDM is encouraged through joint utility programs offered by Hydro and Newfoundland Power through takeCHARGE, as well as programming specifically targeted to Hydro's isolated and industrial customers. ECDM programs have been successful in providing education and fostering the development of a culture of energy conservation in the province. Overall, Hydro's efforts in 2025 supported annual incremental energy savings of 1,742 MWh, exceeding Hydro's target of 1,271 MWh. These results were supported by Hydro's ability to leverage external funding opportunities, as well as Hydro's energy efficiency portfolio which have resulted in accumulated energy savings of 59,648 MWh since 2009.

Hydro has continued to work with its customers to understand needs and drivers of electrical consumption to support the achievement of sustainable energy savings through its programming.

Additionally, Hydro has worked in partnership with the provincial and federal governments on various programs and initiatives to support energy efficiency and a lower carbon economy. Hydro will use the information gathered from these programs to help inform future program requirements and manage system costs for customers.

In 2025, the Utilities completed a Conservation, Demand Management, and Electrification Potential Study to assess the technical, economic, and achievable potential for conservation, demand management, and electrification activities on the Island Interconnected System from 2025 to 2040. After completion of this study, the Utilities will use this study to develop their next multi-year plan for conservation and demand management.

Appendix A

Electrification, Conservation and Demand Management Program Descriptions

Residential takeCHARGE Rebate Programs

Program incentives are processed primarily through customer applications. The programs are promoted in partnership with trade allies in the retail, home building, and renovation industries.

Insulation Rebate Program

The objective of this program is to provide incentives to increase the insulation R-value in residential basements, crawl spaces, and attics, thereby increasing the efficiency of the home's building envelope. Eligibility for the programs is limited to electrically-heated homes, determined based on annual energy usage. Home retrofit projects are eligible. Customers can receive an incentive of 75% of basement wall and ceiling insulation materials up to $1,000 and 75% of attic insulation material costs up to $1,000. In October 2022, a duct-insulation rebate was added to the existing insulation rebate program, which offers rebates of 50% of the cost up to $500 for insulating ductwork of a resident's primary heating source. In December 2022, an air-sealing rebate was also added on to the existing insulation rebate program, which offers rebates of up to $500 for improvements in their air-leakage score based on a pre- and post-retrofit home energy assessment. In 2025, an additional incentive of $500 was added for labour for insulation installed by a participating installer.

Thermostat Rebate Program

This program encouraged installation of programmable and electronic thermostats to allow customers better control of the temperature in their home and to save energy. These high-performance thermostats provide accurate temperature control while the programmable option allows customers to set back the temperature automatically during the night or when they are away. Eligibility for the program was limited to electrically-heated homes, determined on the basis of annual energy usage. Home retrofit projects and new home developments were eligible. Incentives of $10 for each programmable thermostat and $5 for each electronic high-performance thermostat were offered. This program concluded in 2023.

HRV Rebate Program

This program encourages customers to purchase a high-efficiency Heat Recovery Ventilator ("HRV") to improve the efficiency of their home. Eligible measures in this program include HRV models that have a Sensible Recovery Efficiency of 70% or more. Customers who purchase a high-efficiency HRV can receive

a rebate of $225. All customers are eligible for this program regards of the age of the home or its heat source.

Isolated Community Energy Efficiency Program

This Hydro program includes both residential and commercial components targeting customers in isolated diesel communities and L'Anse-au-Loup. The focus is on residential customers through the direct installation of a kit of technologies. Commercial customers also receive a direct installation of a kit of technologies and LED lighting upgrades. The kits include items for water savings, draft proofing, lighting, and other measures.

Homeowners receive education on energy efficiency and existing takeCHARGE rebate programs. Community events, social media promotions, and exchanges are held to promote the program and energy-efficiency awareness.

Moving forward, the focus will be on targeted programs and locations. For residential customers, that may include the replacement of inefficient dial thermostats with programmable and smart thermostats; the direct install of water heater controllers; a heat pump pilot project; and potential energy efficiency upgrades through federal programs. Commercial targeted programs may include lighting direct installs; as well as energy analyses that will identify the top 10% of energy users. This information will create a customized energy reduction plan for those users. Targeted energy upgrades and rebates may be available to customers.

Energy Savers Kit

This low-income program provides income-qualified customers with a kit containing energy savings measures, educational materials, and instructions. The Energy Savers Kit contains products to help customers save on lighting costs, reduce hot water use, and seal drafts in their homes.

Commercial takeCHARGE Rebate Programs

Business Efficiency Program

The objective of this program is to improve electrical energy efficiency in a variety of commercial facilities and equipment types. The program components include financial incentives based on energy savings and other financial and educational supports to enable commercial facility owners to identify and implement energy-efficiency and demand-reduction projects.

This program is available for existing commercial facilities that can save energy or reduce demand by installing more efficient equipment and systems. The program includes custom project incentives and prescriptive rebates for specific measures on a per unit basis.

Isolated Systems Business Efficiency Program

Hydro's Isolated Systems Business Efficiency Program was launched in 2012 and targets commercial customers in the isolated diesel communities and L'Anse-au-Loup. The program provides a custom approach to finding energy-efficiency solutions and financial assistance for feasibility studies and for retrofit projects. It has the same program design and offerings as the joint utility Business Efficiency Program but has higher incentive levels for retrofit work because of the higher avoided cost of generation in these systems.

Industrial Energy Efficiency Program

The objective of this program is to improve electrical energy efficiency in a variety of industrial processes. The program components include financial incentives based on energy savings and other supports to enable industrial facilities to identify and implement efficiency and conservation opportunities. This program is a custom program designed to respond to the unique needs of the industrial market rather than a prescriptive technology approach.