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April 1, 2025

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

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Re: Newfoundland Power's 2024 Net Metering Service Option Annual Report

Dear Ms. Galarneau:

Please find enclosed Newfoundland Power's *2024 Net Metering Service Option Annual Report*.

In Order No. P.U. 17 (2017), the Newfoundland and Labrador Board of Commissioners of Public Utilities (the "Board") ordered that Newfoundland Power file annual progress reports on its Net Metering Service Option. The Board specified that the annual report include application and take-up rates, total customer generation installed, associated costs, and additional relevant information. This report is filed in compliance with Order No. P.U. 17 (2017).

If you have any questions on the enclosed, please contact the undersigned.

Yours truly,

Siobhan Donovan
Manager Regulatory Affairs

cc. Shirley Walsh
Newfoundland and Labrador Hydro

Dennis Browne, K.C.
Browne Fitzgerald Morgan & Avis

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2024 Net Metering Service Option Annual Report

April 1, 2025

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1.0 Introduction

In Order No. P.U. 17 (2017), the Newfoundland and Labrador Board of Commissioners of Public Utilities (the “Board”) approved Newfoundland Power Inc.’s (“Newfoundland Power” or the “Company”) Net Metering Service Option effective July 1st, 2017.¹ The Net Metering Service Option provides customers with the option to generate electricity from small-scale renewable sources to offset their own use. Customers maintain a secure connection to the electricity system for times when they need to purchase electricity.

The Company’s Net Metering Service Option is based on the principles outlined in the Provincial Government’s *Net Metering Policy Framework* (the “Framework”).² The Framework established a provincial subscription limit of 5.0 MW. Government, in consultation with Newfoundland Power, Newfoundland and Labrador Hydro (“Hydro”), and the Board, will monitor the response to net metering in the province and may adjust the overall capacity limit in the future.³

In Order No. P.U. 17 (2017), the Board ordered the Company to file annual progress reports on application and take-up rates, total customer generation installed, associated costs, and any additional relevant information.⁴ This report is Newfoundland Power’s 2024 progress report on its Net Metering Service Option.

2.0 Net Metering Service Option

Newfoundland Power’s Net Metering Service Option facilitates the safe interconnection of customer-owned generating resources to the Company’s electrical system. To qualify for the Net Metering Service Option, a customer’s generation must: (i) be designed not to exceed the customer’s annual energy requirements; (ii) be 100 kW or less; and (iii) produce electricity from a renewable resource.

On a monthly basis, Net Metering Service Option customers will continue to pay the applicable basic customer charge. General Service customers will also pay demand charges, if applicable. If more energy (kWh) is used than generated in a given month, the customer will be charged for the net amount of energy used. If more energy is generated than used, the customer will avoid paying an energy charge. The surplus energy generated in that month will be banked and applied to future bills.

Net Metering Service Option customers receive a credit for any surplus energy remaining on the customer’s bill for the Annual Review Billing Month.⁵ Compensation for these credits is based on the 2nd block energy charge of Hydro’s Utility rate applicable to wholesale supply for Newfoundland Power.⁶

¹ Newfoundland and Labrador Hydro’s Net Metering program was also approved in Order No. P.U. 17 (2017).

² The Newfoundland and Labrador Net Metering Policy Framework was released in July 2015.

³ See the Newfoundland and Labrador Net Metering Policy Framework, July 2015, Section 3.5, Page 5.

⁴ See Order No. P.U. 17 (2017), Page 6, lines 10-13.

⁵ In accordance with the latest version of the Company’s Schedule of Rates, Rules and Regulations, the balance of the customer’s Banked Energy Credits carried forward will be settled annually by means of a credit on the customer’s bill for the Annual Review Billing Month. Since a customer’s generation must be designed not to exceed the customer’s annual energy requirements, only a small number of customers generate more than they consume during a 12 month period.

⁶ See Order No. P.U. 17 (2017), page 4, lines 25-33 and page 5, lines 33-45.

Hydro's Utility rate to Newfoundland Power was revised in Order No. P.U. 1 (2025). The revised Utility rate included a 2nd block energy charge to Newfoundland Power of: (i) 9.698 ¢/kWh for the months of January, February, March, and December; and (ii) 3.354 ¢/kWh for the months of April through November.⁷ As a result, Newfoundland Power intends to work with customers to implement an Annual Review Billing Month of March in each year to coincide with the end of the winter season. This will result in: (i) any excess energy generated and banked by a Net Metering Service Option customer throughout a 12-month period is valued at Hydro's marginal costs during the winter season when energy is most valuable; and (ii) a Net Metering Service Option customer is not disadvantaged by having an Annual Review Billing Month during months when energy is less valuable.⁸

Customers interested in participating in Newfoundland Power's Net Metering Service Option are required to submit a Net Metering Interconnection Application and sign a Net Metering Interconnection Agreement. The Company's net metering interconnection requirements, interconnection application form, and a sample interconnection agreement are available on the Newfoundland Power website.⁹

3.0 2024 Net Metering Service Option Results

Newfoundland Power received a total of 24 Net Metering Service Option applications between January 1st, 2024 and December 31st, 2024, and 23 were approved. 11 approved applications had generation systems in service by the end of 2024.¹⁰

3.1 2024 Applications and Take-up Rates

Table 1 shows the number of Net Metering Service Option applications received in each of the Company's three operating regions in 2024. It also provides a breakdown of the generation system type, and proposed generation capacity, in kW, that has been submitted, approved, and placed in service.

⁷ Prior to the revised Utility rate, the 2nd block energy charge to Newfoundland Power was 18.165 ¢/kWh.

⁸ The primary benefit of energy produced by a Net Metering Service Option customer is to offset energy consumption which is charged in accordance with Newfoundland Power's retail rates. For example, as of August 1, 2024 the Energy Charge for a Newfoundland Power Domestic customer is 14.237 ¢/kWh.

⁹ Information relating to Newfoundland Power's Net Metering Service Option is available to customers at: <https://www.newfoundlandpower.com/My-Account/Usage/Electricity-Rates/Net-Metering>.

¹⁰ This includes applications received in 2024 and applications that were approved in preceding years.

Table 1
Net Metering Service Option
2024 Customer Applications and Capacity (kW)

Location	Generation System Type	Submitted		Approved		In Service ¹¹	
		Projects	kW	Projects	kW	Projects	kW
St. John's Region	Solar (0-25 kW)	12	202.9	11	193.8	4	57.2
Eastern Region	Solar (0-25 kW)	5	76.0	5	76.0	2	26.0
Western Region	Solar (0-25 kW)	7	68.7	7	78.6	5	45.1
Total		24	347.6	23	348.4	11	128.3

The applications approved in 2024 proposed a total generation capacity of 348.4 kW. The total generation capacity of actual installations in 2024 was 128.3 kW.

3.2 2024 Costs

The total cost of administering Newfoundland Power's Net Metering Service Option in 2024 was approximately \$52,000. This includes costs associated with responding to customer inquiries, reviewing and assessing applications, site visits for commissioning, and incremental and recurring metering and billing costs.

3.3 2024 Net Metering Energy Deliveries, Credits, and Payments

In 2024, the total amount of energy delivered to Newfoundland Power by Net Metering Service Option customers was 204,272 kWh. By December 31st, 2024, 40 customers had reached their Annual Review Billing Month. 17 of the customers were eligible to receive an annual settlement of Banked Energy Credits for energy delivered to the Company's electrical system. The total amount of Energy Credits for which a billing credit was applied in 2024 was 26,215 kWh.

4.0 Total Net Metering Service Option Results

Newfoundland Power's Net Metering Service Option was made available to customers on July 1st, 2017. Out of the 93 applications received by December 31st, 2024, the Company had a total of 53 customers with generation systems installed with approximately 602.2 kW of aggregate capacity.¹² This represents approximately 12.0% of the 5.0 MW aggregate capacity limit for net metering generation within the province.¹³

¹¹ Quantities include generation that was approved in preceding years.

¹² A 2020 net metering customer completed two additional capacity expansion projects to their service address in 2021 and 2023. Including these two additional capacity expansion projects, there have been a total of 55 installed net metering projects.

¹³ $(0.6022 \text{ MW} / 5.0 \text{ MW}) \times 100\% = 12.0\%$.

4.1 Total Applications and Take-up Rates

Table 2 provides a summary of the customers that applied for the Net Metering Service Option, projects that were approved, and projects that came into service in 2017 through 2024. This table also provides a regional breakdown of each project and the generation system type.

Table 2
Total Net Metering Activities from
July 1, 2017 to December 31, 2024

Location	Generation	Submitted		Approved ¹⁴		In Service ¹⁵	
	System Type	Projects	kW	Projects	kW	Projects	kW
St. John's Region	Solar (0-25 kW)	39	443.3	37	429.6	22	247.8
	Wind (0-25 kW)	1	20.0	1	20.0	-	-
	Solar (>25 kW)	3	115.1	3	115.1	1	44.2
Eastern Region	Solar (0-25 kW)	15	169.0	14	160.4	10	100.4
	Wind (0-25 kW)	2	15.0	2	15.0	2	15.0
	Solar & Wind (0-25 kW)	1	12.8	1	12.8	1	12.8
Western Region	Solar (0-25 kW)	28	267.8	26	250.2	19	182.0
	Wind (0-25 kW)	2	25.5	2	25.5	-	-
	Wind (>25 kW)	2	180.0	1	90.0	-	-
Total		93	1,248.6	87	1,118.6	55	602.2
Less Expired Applications		-	-	(18)	(361.6)	-	-
Adjusted Total		93	1,248.6	69	757.0	55	602.2

¹⁴ Includes 16 previously approved applications totaling 361.6 kW of generation potential that have since expired.

¹⁵ One Net Metering Service Option customer expanded their initial 2020 net metering project in 2021 and 2023. As a result, the 55 projects in service represent 53 separate customers.

Table 3 shows the Net Metering Service Option capacities, in kW, for all applications approved and projects placed in service, as a percentage of the 5.0 MW provincial aggregate generating capacity as of December 31st, 2024.

Table 3
Net Metering Service Option
Percentage of 5.0 MW Provincial Limit

Year	Approved ¹⁶		In Service	
	kW	%	kW	%
2017	66.0	1.3	0.0	0.0
2018	235.1	4.7	37.2	0.7
2019	17.2	0.3	40.8	0.8
2020	109.2	2.2	17.5	0.4
2021	96.8	1.9	114.6	2.3
2022	113.3	2.3	93.2	1.9
2023	132.7	2.7	170.6	3.4
2024	348.4	7.0	128.3	2.6
Total	1,118.7	22.4	602.2	12.1
Less Expired Applications	(361.6)	(7.2)	-	-
Adjusted Total	757.1	15.1	602.2	12.1

4.2 Annual Program Administration Costs

Table 4 reflects the annual costs incurred to administer Newfoundland Power's Net Metering Service Option since implementation in 2017.

Table 4
Net Metering Service Option
Program Administration Costs
(\$000s)

Year	Costs
2017	12
2018	17
2019	8
2020	10
2021	31
2022	29
2023	48
2024	52

¹⁶ Includes 18 previously approved applications totaling 361.6 kW of generation potential that have since expired.

The year over year cost fluctuations indicated in Table 4 are attributable to the changes in customer participation in the program. This includes: (i) the number of new net metering systems that were commissioned; (ii) changes in customer net metering enquiries; and (iii) an overall increase in the number of net metering customer accounts that require billing each month.¹⁷

5.0 Summary

Newfoundland Power's Net Metering Service Option became available on July 1st, 2017. In 2024, the Company received 24 new applications from customers planning to install solar generation systems less than 25 kW. 23 applications were approved for construction.

In 2024, 11 customers had completed their generation systems and began availing of the Company's Net Metering Service Option. The total amount of energy generated and delivered to the Company's electrical system from all customers was 204,272 kWh. The cost of administering the Net Metering Service Option to these customers was approximately \$52,000. By December 31st, 2024, 40 of the Net Metering Service Option customers have reached the Annual Review Billing Month required to settle any Banked Energy Credits for energy delivered to the Company's electrical system. The total amount of Energy Credits for which a billing credit was applied in 2024 was 26,215 kWh.

¹⁷ In 2024 the number of Net Metering Service Option customers requiring monthly billing increased from 42 to 53.