

2021 Electrification, Conservation and Demand Management Application

1 Q. Reference: Bowman, Patrick, “Electrification, Conservation and Demand
2 Management Plan Review, including Use of a Modified Total Resource Cost Test,”
3 InterGroup Consultants Ltd., May 4, 2022, p. 9/8–10.

4 Second, based on the above cost profile, the assumptions about the
5 NPV benefits to the utility and its other customers are extremely
6 marginal over the 15 year horizon. It should be imminently clear that
7 the program exhibiting these metrics would not yield measurable rate
8 mitigation benefits.

9 Please confirm that this statement is in reference to Newfoundland and Labrador
10 Hydro’s (“Hydro”) net present value (“NPV”) calculation as filed (approximately
11 \$0.7 million) and not the updated NPV calculation as provided in Hydro’s response
12 to TC-PUB-NLH-004 (approximately \$3.2 million).

13 A. Confirmed. Mr. Bowman’s scope was not to weigh in on the merits of any one
14 program, and, as such, the references to the EV cost profile were intended
15 only for illustrating the principles (the full EV cost profile of concern to the Island
16 will be the combined NLH/NP NPV which Mr. Bowman did not provide
17 comment on in the pre-filed testimony).

18 However, note that, according to TC-PUB-NLH-004, the updated Hydro NPV
19 calculation for the EV program shows only a \$3.2 million NPV after 15 years which
20 is still quite small on the Island Interconnected system. The annual results do not
21 turn positive until year 8 (2029) and the NPV does not turn positive until year 10
22 (2032). This profile is still representative of a largely ineffective program for yielding
23 needed rate mitigation benefits.