Q. In the response to PUB-NLH-033 in the Electrification, Conservation and Demand Management Plan 2021-2025 application, Hydro stated:

"Newfoundland and Labrador Hydro ("Hydro") is only seeking to offer electrification programming on the Island Interconnected System. Under Hydro's 2021-2025 Electrification, Conservation and Demand Management Plan, no electrification programs will be offered to customers in Hydro's isolated systems."

Please describe Hydro's overall intention and strategy with respect to expanding EV charging infrastructure to include isolated systems. In the response, please highlight any differences in approach compared to the interconnected system.

A. Newfoundland and Labrador Hydro's ("Hydro") application for 2021–2025 Electrification programming did not include any proposal for isolated electric vehicle ("EV") fast chargers. At that time, the provincial charging network consisted of only 14 Direct Current Fast Chargers ("DCFC") along the Trans-Canada Highway, with significant areas of the province without any charging infrastructure. The Board of Commissioners of Public Utilities ("Board") ultimately approved the construction of 19 additional DCFCs,[1] including those on the Northern Peninsula and on the Labrador Interconnected System.

Subsequent to Hydro's Electrification application, in December 2023, the Government of Canada finalized the Electric Vehicle Availability Standard. This standard requires that 100% of all vehicles sold in Canada be classified as zero-emission vehicles by 2035. As a result, EV ownership is likely to increase in Hydro's isolated systems in the medium- to long-term.

While an appropriate step in the electrification of Newfoundland and Labrador highways, the initial phases of DCFC installation resulted in a 675 km gap between Flowers Cove and Happy Valley-Goose Bay. Hydro's Application seeks to address this gap in charging infrastructure. The

[1] 10 DCFCs to be constructed by Newfoundland Power and 9 to be constructed by Hydro.

proposed isolated infrastructure is more likely to be utilized by customers who reside on the Interconnected Systems seeking to travel though these regions, as local residents will have access to home charging at a lower cost than Hydro's isolated DCFCs.[2]

The Application proposes a proactive approach to address the need for charging infrastructure in Southern Labrador while balancing the impact on ratepayers. Specifically, Hydro has proposed that its isolated DCFCs include solar generation for energy, batteries for capacity, and a small grid connection for reliability. While this approach has a higher cost, it is appropriate when considering the system costs that would result from a standalone DCFC on an isolated system. When the annual number of EVs using the charger is below Hydro's initial forecast, excess solar generation will be supplied to the isolated system, reducing fuel costs and the rural deficit.

Section 3(b)(iv.1) of the *Electrical Power Control Act, 1994* requires that all sources and facilities for the transmission and distribution of power in the province be managed and operated in a manner that results in open, non-discriminatory interconnection with service on the electrical system. If another operator were to request service and place a DCFC on Hydro's isolated system, Hydro would be legislatively obligated to provide service and could not require that operator to incur the additional cost associated with batteries or renewable generation.[3] As such, a standalone DCFC install by a customer could serve to increase system load and system costs, contributing to the rural deficit and the associated costs to ratepayers on the interconnected system when compared to the approach proposed in this Application.

Hydro's intention and strategy is to seek creative solutions to transportation electrification in its isolated systems – balancing customer requirements for service with an approach which minimizes the impact on the electrical system and the rural deficit. The inclusion of solar generation for energy and batteries for capacity are the major differences in this approach when compared to Hydro's interconnected systems. Hydro has also specified a lower power level for the isolated DCFCs (120 kW vs. 400 kW on the interconnected system) in consideration of the additional cost attributed to this approach.

[2] The cost to use Hydro's isolated DCFCs will be higher than the third block energy charge under Rate 1.2D.
[3] While there are no active requests for electrical service for DCFCs in Southern Labrador, Hydro has received customer inquiries in the past given the current gap in its charging network.

Further details around Hydro's planned approach to electrification on isolated systems will be included in the Strategic Load Management report as requested by the Board.[4]

[4] "Newfoundland and Labrador Hydro - Strategic Load Management Plan for Isolated Systems", Board of Commissioners of Public Utilities, July 17, 2025.