Q. **Reference: Application**

Hydro identifies numerous drivers affecting the Island forecast, including, for example, population growth, customer growth, industrial demand, electric vehicles, and electricity price. For each year 2025 through 2027, quantify the incremental effect of each driver on: (i) annual energy (GWh); and (ii) peak demand (MW).

A. The load forecasting model utilized by Newfoundland and Labrador Hydro ("Hydro") is a custom-built, econometric-based regression model. Across the historical period, typically the 1970s through 2024, the relationships between changes in electricity use and various economic measures are quantified using econometric techniques. It is difficult to quantify the exact incremental year-over-year impact of individual drivers in a multiple regression model because drivers do not act in isolation.

Electricity consumption and demand from electric vehicles and Industrial customers are external adjustments made to the load forecast, so the year-over-year impact can be quantified. Table 1 and Table 2 provide the incremental and cumulative impact that electric vehicles and Industrial customers have on the forecast in each year.

**Table 1: Incremental Impact of Electric Vehicles on the Island Load Forecast**

| Year | GWh | MW[1] |
|---|---|---|
| 2025[2] | 8 | - |
| 2026 | 13 | 3 |
| 2027 | 20 | 5 |

[1] The incremental demand impact is presented on an annual peak basis.
[2] The 2025 energy value is the incremental forecast value for the full year. Incremental demand impact from 2024–2025 was not estimated during the development of the 2025 load forecast because the 2025 annual peak had already occurred.

**Table 2: Incremental Impact of Industrial Customers on the Island Load Forecast[3,4]**

| Year | GWh | MW |
|---|---|---|
| 2025 | 58 | 7 |
| 2026 | 107 | (13) |
| 2027 | - | 7 |

[3] Incremental industrial load is based on data presented in Schedule A-I of Hydro's 2026 General Rate Application.
[4] Actual 2025 data was used in the calculation of table values.