

**Prince Edward Island Energy Corporation (PEIEC)**  
**UE41401 – Electricity Efficiency & Conservation Plan**  
**July 14, 2023 – Supplemental Filing**

To assist the Commission in completing the review of the proposed Electricity Efficiency & Conservation Plan PEI Energy Corporation has provided the following supplemental information for consideration.

Below is a summary of the proposed EE&C Plan Budget as filed on Page 7 and Page 8 of Exhibit-E-9d-Appendix-A-2022-2025-EEC-Plan-for-PEI-Energy-Corp-REVISED-April-14-2022

**Table 1 – Proposed EE&C Plan Budget 2022-23 to 2024-25**

Funding Source	Allocation	Current Plan - Approved Budget					Proposed Plan Budget			
		2018-19	2019-20	2020-21	2021-22	Total	2022-23	2023-24	2024-25	Total
Maritime Electric	90%	540,000	873,000	1,080,000	1,080,000	3,573,000	1,360,203	1,321,690	1,732,045	4,413,939
Summerside Electric	10%	60,000	97,000	120,000	120,000	397,000	151,134	146,854	192,449	490,438
<b>Total</b>	<b>100%</b>	<b>600,000</b>	<b>970,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>3,970,000</b>	<b>1,511,337</b>	<b>1,468,545</b>	<b>1,924,495</b>	<b>4,904,377</b>
<b>Total EE&amp;C Actual Spending Attributable to Ratepayers</b>						<b>1,959,899</b>				
Overcollection from previous plan as filed in Exhibit-E-9d-Appendix A							<b>2,010,101</b>			

In accordance with Order UE21-17 the current plan remained in effect until March 31, 2022. For the purpose of this analysis, PEIEC has assumed the current plan continued for the 2022-23 year while the matter was before the Commission. As a result, the 2022-23 period would have ended on March 31, 2023. In PEIEC response to IR 42 it was noted that the current EE&C Plan was to remain in effect until February 28, 2023. This aligns with the MECL rate period where new rates generally come into effect on March 1<sup>st</sup> of each year. Therefore, the proposed plan reflects a three-year period commencing on March 1, 2023.

**Commission Order UE23-04**

In Docket: UE20946 – the Commission Order UE23-04 Maritime Electric Company Limited (“MECL”) to:

*“Recovery of EE&C Plan Costs*

*25. MECL shall collect from ratepayers, and remit to PEIEC, the following amounts as contribution to the Energy Efficiency and Conservation Plan (“EE&C Plan”) costs:*

- 2023/2024: \$868,000*
- 2024/2025: \$868,000*
- 2025/2026: \$1,732,000*

*26. MECL shall collect the EE&C Plan costs as a per kWh rate rider at the following rates:*

- \$0.00000 for the period May 1, 2023 to February 29, 2024;*
- \$0.00033 for the period March 1, 2024 to February 28, 2025; and*
- \$0.00121 for the period March 1, 2025 to February 28, 2026.*

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*27. MECL shall remit the annual EE&C Plan costs to PEIEC in fixed monthly amounts. Any over or under-collections shall be held in a separate account, the balance of which shall be reported to the Commission on a monthly and annual basis.*

*28. The annual EE&C Plan costs set forth in this Order may be varied by the Commission in Docket UE41401 (PEIEC EE&C Plan Application), in which case the rate riders approved herein shall be varied accordingly.”*

Based on the above PEIEC has updated the proposed EE&C Plan budget and regulatory approvals requested for the following:

- Report on the 11-month period from April 1, 2022 to February 28, 2023
- Adjusted the dates for each of year 1 to 3 of the plan to reflect the period in which the proposed EE&C Plan will come into effect.
- Adjust the rate rider in year 1 to nil and recalculate the proposed rate rider for year 2 and 3 of the proposed EE&C Plan.

The following table summarizes the current EE&C Plan budget for the eleven-month period from April 1<sup>st</sup> 2022 to February 28, 2023 and the Proposed EE&C Plan budget for Year 1, Year 2, and Year 3.

**Table 2 – Revised - Proposed EE&C Plan Budget for the three-year period including:**  
**Mar 1, 2023 to Feb 29, 2024, Mar 1, 2024 to Feb 28, 2025 and Mar 1, 2025 to Feb 28, 2026**

Funding Source	Current Plan - Approved Budget						Proposed Plan - Budget				
	Allocation	2018-19	2019-20	2020-21	2021-22	April 1, 2022 to Feb 28, 2023	Total	Mar 1, 2023 to Feb 29, 2024	Mar 1, 2024 to Feb 28, 2025	Mar 1, 2025 to Feb 28, 2026	Total
Maritime Electric	90%	540,000	873,000	1,080,000	1,080,000	990,000	4,563,000	1,360,203	1,321,690	1,732,045	4,413,939
Summerside Electric	10%	60,000	97,000	120,000	120,000	110,000	507,000	151,134	146,854	192,449	490,438
<b>Total</b>	<b>100%</b>	<b>600,000</b>	<b>970,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,100,000</b>	<b>5,070,000</b>	<b>1,511,337</b>	<b>1,468,545</b>	<b>1,924,495</b>	<b>4,904,377</b>

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The Proposed EE&C Plan as filed in Exhibit E-9 included an overcollection amount of \$2,010,101. The following table summarizes the activity in the EE&C Plan in 2022-23 and adjusts the overcollection amount to account for EE&C Plan expenditures to February 28, 2023. .

**Table 3 – Calculation of net overcollection for the Current EE&C Plan periods 2018-19, 2019-20; 2020-21; 2021-22; 2022-23**

Actual EE&C Plan Expenses for current plan to Feb 28, 2023	Ref	2018-19	2019-20	2020-21	2021-22	April 1, 2022 to Feb 28, 2023	Total
EE&C expenditures to be recovered from rate payers	IR-41 Note 1	341,896	482,501	467,874	667,627	3,177,296	5,137,195
Amount collected from Maritime Electric		540,000	873,000	1,080,000	1,080,000	1,640,189	5,213,189
Amount collected from Summerside Electric	Note 2	60,000	97,000	120,000	120,000	164,019	561,019
<b>Net overcollection current plan to Feb 28, 2023</b>		<b>258,104</b>	<b>487,499</b>	<b>732,126</b>	<b>532,373</b>	<b>(1,373,089)</b>	<b>637,012</b>
<b>Overcollection from current plan from 2018-19 to 2021-22</b>					<b>2,010,101</b>		
<b>Undercollection from current plan from 2022-2023</b>						<b>(1,373,089)</b>	
<b>Note 1</b>							
See <b>confidential exhibit</b> for expense details April 1, 2022 to Feb 28, 2023							
<b>Note 2</b>							
Total collection from MECL for the 11 month period from April 1, 2022 to February 28, 2023					1,640,189		
Assumed % allocation of load to Summerside Electric as payment has not yet received					10%		
Estimated Summerside						164,019	

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Total EE&C Plan expenditures to be recovered from rate payers for the period from April 1, 2022 to February 28, 2023 has been summarized below.

**Table 4 – Summary of 2022-23 actual EE&C spending to be recovered from rate payers.**

<b>Program</b>	<b>Program Spending</b>	<b>% of Admin Spending</b>	<b>Admin Spending by Program</b>	<b>Total</b>	<b>% of EE&amp;C Spending</b>	<b>Program spending</b>	<b>Admin spending</b>	<b>Total spending</b>
Business Energy Rebate Program	\$362,954	9%	\$135,719	\$498,673	76%	\$275,845	\$103,147	\$378,991
Community Energy Solutions	\$36,880	6%	\$90,479	\$127,360	100%	\$36,880	\$90,479	\$127,360
Energy Efficient Equipment Rebates	\$8,328,642	29%	\$437,317	\$8,765,959	15%	\$1,249,296	\$65,598	\$1,314,894
HIR	\$1,451,838	11%	\$165,879	\$1,617,717	20%	\$290,368	\$33,176	\$323,543
Instant Energy Savings Program	\$468,203	16%	\$241,278	\$709,482	55%	\$257,512	\$132,703	\$390,215
New Home Construction Program	\$530,920	8%	\$120,639	\$651,559	89%	\$472,519	\$107,369	\$579,888
Winter Warming Program	\$97,948	5%	\$75,400	\$173,348	36%	\$35,261	\$27,144	\$62,405
<b>Total</b>	<b>\$11,277,386</b>		<b>\$1,266,712</b>	<b>\$12,544,098</b>		<b>\$2,617,681</b>	<b>\$559,615</b>	<b>\$3,177,296</b>

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The current EE&C Plan program costs included administrative expenses in cost effectiveness testing

**Table 5 – Summary of non-incentive program costs included in cost effectiveness testing for current EE&C Plan.**

	2020/21			
	Marketing, Promo (Year 3)	Est. FTEs Year 3	FTE Cost	Total Non-Incentive Program Costs
<b>Non-Incentive Program Costs</b>				
Residential Space and Water Heating Rebates	\$20,000	1.50	\$150,000	\$170,000
Home Energy Audit Program	\$15,000	1.50	\$150,000	\$165,000
Residential Direct Install	\$25,000	1.50	\$150,000	\$175,000
New Home Construction	\$5,000	0.75	\$75,000	\$80,000
Instant Savings	\$75,000	1.00	\$100,000	\$175,000
Commercial Energy Audit	n/a	n/a	n/a	n/a
Business Energy Rebates - Mail In	\$35,000	3.25	\$325,000	\$360,000
Small Business Energy Solutions	\$15,000	2.25	\$225,000	\$240,000
Custom	\$10,000	1.50	\$150,000	\$160,000
	<b>\$200,000</b>	<b>13.25</b>	<b>\$1,325,000</b>	<b>\$1,525,000</b>

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PEIEC understands, based on previous IR's, that the Commission may wish to consider the application of interest to the overcollection amount. This calculation has been included in the table below:

**Table 6 – Calculation of interest on over collected amounts**

<b>Calculation of interest on overcollection amounts</b>	<b>Ref</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>April 1, 2022 to Feb 28, 2023</b>	<b>Total</b>
Beginning amount over-collected		-	258,104	745,603	1,477,729	2,010,101	4,491,536
Additional over-collected amount		258,104	487,499	732,126	532,373	(1,373,089)	637,012
Ending amount over-collected		258,104	745,603	1,477,729	2,010,101	637,012	5,128,549
Average amount over-collected		129,052	501,853	1,111,666	1,743,915	1,323,557	4,810,043
Interest rate applied based on Govt of PEI short term borrowing		4.57%	4.57%	4.57%	4.57%	4.57%	
Interest attributed to over-collected balance		5,898	22,935	50,803	79,697	60,487	219,819
<b>Overcollection amount including interest to be applied to future EE&amp;C Programming</b>							<b>856,831</b>
						<b>Total</b>	<b>856,831</b>
						<b>90% MECL</b>	<b>771,148</b>
						<b>10% SE</b>	<b>85,683</b>

Consistent with the original filing, PEIEC is proposing that the over collected amounts are used to offset future EE&C Plan Budgeted Expenses. As such, the allocation has been calculated in the table below.

**Table 7 – Comparative summary of EE&C Plan budget by utility including proposed allocation of over collected amounts**

<b>Funding Source</b>	<b>Current Plan - Approved Budget</b>						<b>Total</b>
	<b>Allocation</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>April 1, 2022 to Feb 28, 2023</b>	
Maritime Electric	90%	540,000	873,000	1,080,000	1,080,000	990,000	4,563,000
Less: 2018-19 to 2022-23 overcollection							
<b>Maritime Electric EE&amp;C Budget to be collected from rate payers</b>							
Summerside Electric	10%	60,000	97,000	120,000	120,000	110,000	507,000
Less: 2018-19 to 2022-23 overcollection							
<b>Summerside Electric EE&amp;C Budget to be collected from rate payers</b>							
<b>Total</b>	<b>100%</b>	<b>600,000</b>	<b>970,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,100,000</b>	<b>5,070,000</b>

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Funding Source	Proposed Plan - Budget			
	Mar 1, 2023 to Feb 29, 2024	Mar 1, 2024 to Feb 28, 2025	Mar 1, 2025 to Feb 28, 2026	Total
Maritime Electric	1,360,203	1,321,690	1,732,045	4,413,939
Less: 2018-19 to 2022-23 overcollection	(771,148)	-		(771,148)
<b>Maritime Electric EE&amp;C Budget to be collected from rate payers</b>	<b>589,055</b>	<b>1,321,690</b>	<b>1,732,045</b>	<b>3,642,791</b>
Summerside Electric	151,134	146,854	192,449	490,438
Less: 2018-19 to 2022-23 overcollection	(85,683)	-		(85,683)
<b>Summerside Electric EE&amp;C Budget to be collected from rate payers</b>	<b>65,451</b>	<b>146,854</b>	<b>192,449</b>	<b>404,755</b>
<b>Total</b>	<b>654,506</b>	<b>1,468,545</b>	<b>1,924,495</b>	<b>4,047,545</b>

<b>Total</b>	<b>2,123,050</b>	<b>1,924,495</b>	
<b>MECL</b>	<b>1,910,745</b>	<b>1,732,045</b>	<b>90%</b>
<b>SE</b>	<b>212,305</b>	<b>192,449</b>	<b>10%</b>

If the proposed EE&C Plan budget is approved as submitted the required rate ride for 2024-25 and 2025-26 have been calculated below for consideration.

**Table 8 – Calculation of proposed Maritime Electric Rate Rider**

	Mar 1, 2023 to Feb 29, 2024	Mar 1, 2024 to Feb 28, 2025	Mar 1, 2025 to Feb 28, 2026
<b>Maritime Electric load forecast GWh</b>			
10/12 months of load forecast	83%	1,159.75	1,176.83
2/12 months of following year load forecast	17%	235.37	238.52
<b>PEIEC prorated Maritime Electric load forecast to reflect EE&amp;C Plan Year</b>	<b>GWh</b>	<b>1,395.12</b>	<b>1,415.35</b>
<b>EE&amp;C Rider per GWh based on Maritime Electric GRA load forecast</b>	<b>\$/GWh</b>	<b>\$ -</b>	<b>\$ 1,350.02</b>
Conversion factor	1,000,000 KWh/GWh	\$ -	\$ 0.0014

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**Regulatory approvals requested:**

With this application, PEIEC and ePEI seek approval for:

- EE&C Plan spending for the period from April 1, 2022 to February 28, 2023 including the application of the overspend to the (~\$2.01 million) overcollection amount pertaining to EE&C Plan spending for the period from 2018-19 to 2021-22.
- Application of the remaining overcollection amount of \$771,148 pertaining to Maritime Electric customers) to the proposed EE&C Plan activity in 2023-24 (o the total \$856,831 over collected amount including interest).
- The 2023/2024 EE&C programs with an investment of \$7.56 million and net electricity savings of 12.44 GWh and net demand savings of 5.71 MW. After the adjustment for the overcollection of funding during the current Plan, Maritime Electric’s rate payers are expected to provide funding of \$589,055. Understanding Summerside Electric is not regulated by the Commission, it is assumed their portion of funding, adjusted for overcollection, will be \$65,451.
- The 2024/2025 EE&C programs with an investment of \$7.34 million and electricity savings of 10.84 GWh and electricity demand savings of 5.52 MW. After the adjustment for the overcollection of funding during the current Plan, Maritime Electric’s rate payers are expected to provide funding of \$1,321,690. Understanding Summerside Electric is not regulated by the Commission, it is assumed their portion of funding, adjusted for overcollection, will be \$146,854.
- The 2025/2026 EE&C programs with an investment of \$9.62 million and electricity savings of 11.17 GWh and electricity demand savings of 5.62 MW. After the adjustment for the overcollection of funding during the current Plan, Maritime Electric’s rate payers are expected to provide funding of \$1,732,045. Understanding Summerside Electric is not regulated by the Commission, it is assumed their portion of funding, adjusted for overcollection, will be \$192,449.
- Continued use of the PAC test at the portfolio level to determine future EE&C planning for cost-effectiveness.
- Continued use of PEI’s long-term borrowing rate in the calculation for cost-effectiveness testing.
- Continued use of PEIEC’s rate rider for each of Maritime Electric’s rate classes, which rate riders shall be set for the term of the Plan. It is requested that the amount remitted to PEIEC is based on a fixed monthly amount. This will result in under- or over-collections being held in a regulatory deferral account managed by the utility.
- Continue to treat EE&C costs as an expense as they are incurred rather than amortized over the life of EE&C measures.
- Continued use of an independent evaluation consultant following the evaluation framework previously submitted to the Commission.
- In each year during the term of the proposed Plan, submit an annual report consistent with previous annual reports submitted to the Commission during the current Plan’s term. The annual report will be filed with the Commission three months after the end of PEIEC’s fiscal year.



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- In each quarter during the term of the proposed Plan, submit quarterly progress reports consistent with previous quarterly reports submitted to the Commission during the current Plan's term.
- Approval of the use of the proposed standardized filing framework on a go forward basis.