

NON-CONFIDENTIAL RESPONSE

QUESTION:

IR-1 Demand Response Strategy (Pages 26 - 29 of Appendix A - 2022-23 to 2024-25 Electricity Efficiency and Conservation Plan) -

The proposed Plan suggests a cumulative peak reduction of 20.5 MW for demand response programs over the three-year plan period with total spending of \$5.38 million. The plan indicates that "In year one the focus will be on piloting programs and working with the utilities and the program participants to develop a program model which will be rolled out further in year two and three of the plan". Year one pilot programs are to include; Energy Storage, Interruptible rates and curtailment, Dual fuel systems, and Demand loadcontrol systems.

1 What level of investment in infrastructure and human resources has the PEI Energy Corporation assumed will be required from the utilities?

a. What is the total number of human resource hours expected from Maritime Electric?

b. Does the plan involve utility asset usage? If yes, to what extent are Maritime Electric assets used?

2 Have the utilities' costs been included in the budget of \$5.38 million?

a. If so, what is the total costs attributed to Maritime Electric?

b. If not, is the expectation that Maritime Electric will recover these costs from customers?

RESPONSE:

1) The level of investment in infrastructure and human resources by the utilities is currently undetermined.

a. The total number of human resource hours expected from Maritime Electric is currently undefined as the pilot programs are intended to include collaboration to define the operational requirements of the programs for years two and three. While it is expected that some collaboration with existing utility staff will be required throughout the pilot

NON-CONFIDENTIAL RESPONSE

1 phase it is not expected that this time commitment would be significant or would require
2 new utility resources. Once the pilot programs have been established the PEI Energy
3 Corporation expects to take a collaborative approach to define roles and requirements for
4 the execution of year 2 and year 3 of the plan based on feedback from the utilities.

- 5
- 6 b. The plan does not involve the usage of existing utility assets, however based on the
7 results of the pilot programs it is possible that this could change in years 2 and 3 of the
8 EE&C Plan. Before proceeding with any change that would impact utility assets the PEI
9 Energy Corporation intends to collaborate with the utilities to confirm approach,
10 expectations, and next steps.

- 11
- 12 2) No, the utilities' costs have not been included in the budget of \$5.38 million.

- 13 a. As noted, no cost to the utilities is expected in year one. It is possible that the utilities
14 may support programs in years 2 and 3 of the EE&C plan, depending on the results of
15 the pilot programs and the results of collaboration efforts with the utilities.

- 16
- 17 b. If additional costs were incurred by the utilities, we would expect that Maritime Electric
18 would recover their costs by way of an application to the Commission.

NON-CONFIDENTIAL RESPONSE

1 **QUESTION:**

2 **IR-2 Electric Utility Cost Recovery** (page 38 of Appendix A - 2022-23 to 2024-25 Electricity
3 Efficiency and Conservation Plan) and **Regulatory Approvals Requested** (page 11 of the
4 evidence)

5 In the section titled Electric Utility Cost Recovery on page 38 of Appendix A, the PEIEC suggests
6 that Maritime Electric, in its next General Rate Application, include EE&C recovery amount in its
7 revenue requirement for collection through basic rates or propose an alternative method of
8 collection that avoids any under- or over-collection due to sales fluctuations.

9 In other areas of the Application including Regulatory approvals requested on page 11 of the
10 evidence, the PEIEC proposed plan recommends "Continued use of PEIEC's rate rider for Maritime
11 Electric's rate classes... requested that the amount remitted to PEIEC is based on a fixed monthly
12 amount... under- or over-collections being held in a regulatory deferral account managed by the
13 utility."

14

15 Please confirm which method of electric utility cost recovery from Maritime Electric customers is
16 recommended by the PEIEC.

17

18 **RESPONSE:**

19

20 The method of electricity utility cost recovery from Maritime Electric customers is expected to continue
21 to occur as a rate rider for the term of the EE&C Plan. It is requested that the amount remitted to PEIEC is
22 based on a fixed monthly amount. This will result in under-or over-collections being held in a regulatory
23 deferral account managed by the utility.