# Virtual Information Session

# Q & A Document

Matter 529
2022 Rate Design

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The following is a summary of the questions received during the Matter 529, 2022 Rate Design virtual information session held on September 21, 2022 and corresponding responses.

# GENERAL

1. Will the September 21, 2022 virtual Information Session be recorded and available for review later?

   Yes, the September 21, 2022 virtual Information Session was recorded and is available on the www.nbpower.com/ratedesign website.

2. Will the slides presented during the September 21, 2022 virtual Information Session be made available?

   Yes, the September 21, 2022 virtual Information Session slides will be made available in a summary report filed with the New Brunswick Energy and Utilities Board (NBEUB).

3. With the current road repairs paid out of fuel taxation, is there any plan to transfer the cost to electric charging clients?

   Resolving the issue of reductions in tax revenues as transportation transitions from fossil fuels to electricity is not part of NB Power's current rate design proposal. This is a government policy issue and NB Power's role is not known at this time.

4. What are considered off peak times?

   Off-peak times are those times in which the cost of providing service is typically lower because overall consumption of electricity is lower. Generally speaking, in New Brunswick off-peak times are from approximately 10 pm to approximately 7 am. For some programs weekends and holidays are also considered off-peak.

5. Is it possible for a farmer with one farm entity, including grain tanks, a shop, house and barns, who receives and pays a base rate on three separate bills to combine these to get the base rate down overall across the three bills or get some type of farm discount for low kWh usage?

   This type of arrangement is not part of NB Power's current policy, nor is it part of the current rate design proposals. The monthly Service Charge (sometimes referred to as the customer charge) is intended to recover the cost of the customer being connected to the electrical system (i.e., certain infrastructure and maintenance costs that do not change with the amount of electricity consumed). These include the costs associated with providing the poles, wires, transformers, metering and billing.

6. Will a midsize farmer, milking 120 cows, and using 1500 kWh each month stay within the residential rate?

A farm that consumes an average of 1500 kWh each month would have an annual usage of 18,000 kWh which is below the 60,000 kWh threshold in the rate design proposal. As long as that customer's demand is less than 20 kW it could stay on Residential rates.

7. What will the new proposed rate be for an average dairy farmer in New Brunswick using more than 60,000 kWh per year?

NB Power's rate design proposal is part of a larger plan that will unfold over several years if approved by the NBEUB. The plan calls for bringing rates for the current customer classes closer to the cost of service and then creating new classes (small, medium, large, and transmission-connected) for commercial and industrial customers and new rates for those groups of customers. No-one can predict with accuracy what the new rates will be at that time; however, as an example we do have indicative estimates for what they would be if the new classes existed today and the rates were at the current cost of service. The indicative rates are: $30-$40 per month service charge, 6.8 cents per kWh of energy delivered, and $14 per kW for monthly demand charges.

8. What can solar developers in the province do to help prepare and/or participate in the changes related to solar?

If the solar developers would like to participate in the current Rate Design proceedings before the NBEUB, please contact the NBEUB directly at www.nbeub.ca or by calling 1-800-663-6272.

NB Power will continue to update its website on products and services and encourages customers and stakeholders to visit the site for more information. Stakeholder engagement is ongoing and NB Power will reach out to customers and stakeholders in various ways to encourage their participation and input.

9. If customers move to time-of-day pricing does this mean rates would be lowered overnight?

Yes. Time-of-day rates would most likely price energy lower overnight when typically the cost of production is lower and the delivery system is not loaded as heavily. Any such time-of-day rates would be subject to NBEUB review and approval.

10. What are demand charges?

The maximum power recorded during a certain period of time is called demand. It is measured often in "kW". Demand charges are intended to recover the cost of facilities (such as power transformers, wires and power plants) available to provide the maximum amount of electricity which customers may require at any time.

Customers can reduce their demand charges by distributing electrical loads over different time periods ("improving their load factor"). For more information about demand charges and improving load factor see https://www.nbpower.com/en/products-services/business/demand-and-energy/kwh-and-kw-demand/

# NET METERING

11. Does modernizing rate design mean the removal of such things as carry-forward credits in net metering?

The planning of a more modern rate design is a work in progress pending NBEUB approval of the rate design objectives. Removal of the carry-forwards in the modernized program is a realistic potential scenario. Note, however, that participants in the current net metering program may be exempt from the changes in the new program initially out of recognition of the investments that have been made in the context of the current program. Any such proposal will be subject to NBEUB review and approval.

12. What will the changes to net metering mean to residential customers?

One example of a potential change is to make the credit that customers receive for energy they export to the grid more representative of its true value. The current net metering program nets customer energy exports against customer consumption that occurs at other times. With the current residential rate design this means those exports disproportionately reduce customer payments for supply, delivery, and various services that allow the utility to provide reliable service. Those costs are real and would otherwise end up being recovered from other customers. Any such proposal will be subject to NBEUB review and approval.

13. Will NB Power be grandfathering existing net metering customers?

The planning of a more modern rate design is a work in progress pending NBEUB approval of the rate design objectives. Participants in the current net metering program may not be subjected to the changes in the new program initially out of recognition of investments that have been made in the context of the current program. Any such proposal will be subject to NBEUB review and approval.

14. How will NB Power communicate about stakeholder engagement sessions regarding net metering?

NB Power will continue to update its website on products and services and encourages customers and stakeholders to visit the site for more information. Stakeholder engagement is ongoing and NB Power will reach out to customers in various ways to encourage their participation and input. In addition, net metering customers who have provided their email address will be contacted.

15. If power that a solar customer produces, that isn't consumed, goes immediately to the grid and is consumed since there is demand (perhaps nearby) wouldn't it be considered a green, eco-friendly option to credit the producer of this power with the rate they are paying if they were consuming? This is clean solar energy that is feeding local demand and instead of eliminating credit, perhaps producers should receive a share of the proposed 15% value for net-zero energy vs. discouraging people from putting solar in once this happens?

It is true that undervaluing the energy provided back to the grid would unduly discourage people from installing solar systems. Conversely, overvaluing that energy results in subsidization by other customers. One of NB Power's proposed objectives of the rate design is to send an appropriate price signal by neither undervaluing nor overvaluing that energy. Should the NBEUB accept this objective, then determining an appropriate value will be an important and challenging aspect of the subsequent rate design and approvals process.

With the current residential rate design customer exports disproportionately reduce customer payments for supply, delivery, and various services that allow the utility to provide reliable service. Those costs are real and would otherwise need to be recovered from other customers.