



# 2024/25 BUSINESS PLAN

December 2023

## Submission Letter

December 2024

Honourable René Legacy  
Minister responsible for Energy  
Province of New Brunswick  
PO Box 6000  
Fredericton NB E3B 5H1

Minister,

We are pleased to submit the 2024/25 Business Plan of New Brunswick Power Corporation for the fiscal year beginning April 1, 2024 in compliance with section 4 of the *Accountability and Continuous Improvement Act*. We are accountable for the preparation of this Business Plan and for achieving the specific goals and objectives contained herein.



Andrew MacGillivray  
Chair, Board of Directors



Lori Clark  
President and Chief Executive Officer

***NB Power's 2024/25 Business Plan has been prepared by management and reviewed and approved by the New Brunswick Power Corporation Board of Directors.***

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## ABOUT NB POWER

As New Brunswick's power company, NB Power is responsible for the generation, transmission and distribution of electricity that powers the homes, businesses and communities of more than 400,000 customers.

NB Power is committed to enhancing New Brunswickers' lives by providing clean, competitive and reliable energy solutions. Part of this commitment includes investments in energy efficiency programs, energy solutions, renewable energy sources and smart grid technology.

With 12 hydro, coal, oil, natural gas and diesel-powered generating stations as well as the Point Lepreau Nuclear Generating Station and the Shediac solar farm, NB Power maintains and operates one of the most diverse generation fleets in North America and the only nuclear generating station in Atlantic Canada. NB Power has a total generating capacity of 3,799 MW, with an additional installed generating capacity of 594 MW, including 499 MW of renewables, provided by third parties through power purchase agreements.

The *Electricity Act* gives NB Power the authority to sell electricity within the province and to manage and operate NB Power's resources and facilities for the supply, transmission and distribution of electricity within New Brunswick. The *Act* also establishes that, to the extent practicable, rates charged by NB Power shall be maintained as low as possible and changes in rates shall be stable and predictable from year to year. NB Power's rates are regulated by the New Brunswick Energy and Utilities Board.

### Our Mandate

As a provincial Crown Corporation, the Province of New Brunswick is the owner and sole shareholder of NB Power. NB Power reports to the Shareholder through the Minister of Natural Resources and Energy Development and the Shareholder's expectations are expressed through legislation, policies and a mandate letter. NB Power's most recent mandate letter calls for focus on expectations and priorities.

### Expectations

#### ***Reducing Greenhouse Gas***

NB Power is focused on several initiatives developed to lower its carbon footprint while remaining committed to affordability. NB Power is minimizing its greenhouse gas emissions by reducing its internal energy usage, diversifying and optimizing its generation mix with additional non-emitting sources and reducing its coal-fired generation, considering its impacts to electricity rates. In addition, NB Power is exploring alternative non-emitting generation and technology options of the future such as small modular reactors.



### ***Energy Efficiency***

NB Power continues to mature service offerings aimed at reducing the demand for energy and providing savings to customers. These services are available for all classes of customers and for all fuel types used in the province. Working with the Province, NB Power has developed targets and secured long-term funding for all-fuels energy efficiency programs to achieve further efficiency gains, which were incorporated into *Energy Efficiency Regulation – Electricity Act*. NB Power will also continue as the delivery agent for the Plug-In NB electric vehicle rebate program, adapting the program to align with funding and direction from the province.

### ***Climate Change Action Plan***

NB Power continues to support the Department of Environment and Local Government in achieving its Climate Change Action Plan goals, including creating additional opportunities for clean electricity development and continued collaboration with the federal government. NB Power will increase participation opportunities by finalizing power purchase agreements with the initial successful proponents to provide cost-effective renewable and energy storage solutions. It will also strengthen plans and pursue new initiatives identified in the 2023 Integrated Resource Plan to achieve a net-zero supply of electricity by 2035.

### ***First Nations***

NB Power recognizes the distinct value, culture and significance of First Nations and is committed to fostering positive and productive relationships with First Nations in New Brunswick, including providing specific opportunities in First Nations employment, procurement and renewable energy development. NB Power's First Nation Strategic Approach enhances and complements corporate policies and guides the utility in its relationships with First Nations. Throughout all initiatives, NB Power also regularly works with the Department of Aboriginal Affairs and consultation staff regarding the duty to consult and the Province's Initiative Intake Process.

### ***Community Collaboration***

NB Power actively works with communities and First Nations throughout New Brunswick to provide opportunities to collaborate and partner in the electricity sector. This includes partnering on projects like the Shediac Smart Energy Community Project to test advanced smart grid solutions and build a grid-connected solar farm. NB Power also works collaboratively to understand unique community needs, build capacity and advise or develop energy solutions, including energy efficiency solutions. In addition, NB Power is committed to First Nations communities through on-going dialogue on all important matters, including ongoing operations and key initiatives including the advancement of energy-related development projects such as renewable energy, small modular reactors and the Mactaquac Life Achievement Project.

## **Priority Areas**

### ***Debt Reduction***

NB Power remains committed to meeting its mandate to achieve a capital structure of at least 20 per cent equity by 2029 to achieve financial health. NB Power has developed a three-year Strategic, Financial and Capital Investment Plan to reflect that commitment through cost reductions, the rationalization and prioritization of capital investment requirements and required rate increases. These actions have been balanced with ensuring NB Power continues to deliver safe, reliable energy, providing energy security for New Brunswickers while remaining committed to keeping rates as low as possible.

### ***Point Lepreau Nuclear Generating Station (PLNGS) Improvement Plan***

Nuclear is a very important part of NB Power and New Brunswick's past, present and future. In order to maintain the confidence of the public, regulators and the industry, we must maintain strong, consistent performance of all assets including PLNGS. NB Power will execute the recovery plan to improve the reliability of the Station and explore a partnership model to help resolve long-standing issues and improve performance.

### ***Small Modular Reactors***

The Province of New Brunswick has identified small modular reactors (SMRs) as a future industry for New Brunswick and a key part of a net-zero electric grid. NB Power will continue to support the advancement of the SMR cluster with the various counterparties and support efforts to acquire federal funding for first-of-a-kind reactors at the Point Lepreau Nuclear Generating Station site.

### ***New Brunswick Energy Marketing***

New Brunswick Energy Marketing continues to be active in the business of importing and exporting electricity and related products and services to help NB Power meet its commitment to affordability for New Brunswickers. It remains focused on preserving existing customers while exploring opportunities to expand in other evolving energy-related markets.

# OUR STRATEGIC PLAN

## Energizing our Future

As the world is changing, NB Power is experiencing disruptive change that provides the opportunity to transform our business to focus on customer experience, energy security and a sustainable clean energy transition. The changes are resulting in shifts to how we see the future landscape and the paths we will pursue to be successful.

We have a long, proud history and heritage as New Brunswick's power company, having served the province and our customers for more than 100 years. As we look to a cleaner, greener future, one that is both financially and environmentally sustainable, we will ensure we deliver competitive customer value while we transition to a cost-effective clean energy supply, modernize the grid and drive electrification and load growth.

In 2023, we launched our strategic plan – *Energizing our Future*, designed to guide the utility as it transforms to meet evolving customer expectations, while placing the utility in a stronger financial position, and continuing its path to cleaner, greener energy.

It's informed by an independent strategic review, as well as our own knowledge of the energy sector, New Brunswick's regulatory environment, the government's energy policy and our operational and infrastructure needs.

Global challenges such as inflation, political and social unrest, supply chain disruption and the affects of climate change are having massive impacts on our business.

We're also responding to disruptive change to our business, including evolving customer expectations, an expanding competitive market, the pace of transition to sustainable clean energy, development of new technology, an evolving economy and updated government regulations.

The new Strategic Plan is designed to help NB Power seize the opportunity to transform its business in response to this period of uncertainty and disruption by developing new ways of thinking and new ways of operating.

*Energizing our Future* puts the customer experience at the centre of everything we do, providing customers with an effortless experience and offering more choice than ever while responsibly managing its expenses.

It also sets a course for exploring new, cleaner ways of delivering energy to our customers and seeking new partnerships that will help improve our service delivery, energy security and our financial health.

The Strategic Plan has six transformers



Transition to a cost-effective, clean and secure energy supply



Modernize the grid



Electrify and grow load



Deliver competitive customer value



Create a thriving workforce



Align, engage and optimize

Our mission, vision and values combine our traditional values – our commitment to safety, quality customer service and the well-being of our teams – with the need to transition to cleaner, greener energy.

#### Our Vision

*We enhance lives by providing clean, competitive and reliable energy solutions.*

#### Our Mission

*We are passionate and committed to offering the best customer experience, ensuring energy security and accelerating a sustainable clean energy transition.*

#### Our Values



Safety at Heart



Care for Our Team



Care for Our Customers



Care for Our Future

The new Strategic Plan includes key performance indicators that will be used to evaluate our success against the longer-term objectives of the Strategic Plan.

While the Strategic Plan takes a longer-term view, our Business Plan focuses on actions NB Power will take in the coming year, reflecting the current year's action plan and key performance indicators to track performance, all while keeping our eye to the future and meeting plan commitments for the longer term.



## Strategic Priorities for 2024/25

In 2024/25, to transition to a cost-effective, clean and secure energy supply we will progress the Mactaquac Life Achievement Project, explore alternative fuels for Belledune Generating Station, expand participation in the supply of renewable energy and continue to support the development of small modular reactors. As the Point Lepreau Nuclear Generating Station is key to New Brunswick's energy supply and security, we will also improve reliability and operations at the Station and explore partnerships with other nuclear operators. To enhance our transition, we will continue to work towards achieving an 80/20 debt to equity structure and pursue alternative financing options for existing and future major projects.

NB Power will also make enhancements in 2024/25 that will modernize the grid. New technology is required to modernize the grid and provide additional visibility and control at the distribution level. Over the course of the year, approximately half of our customers will receive smart meters through the advanced metering infrastructure program to help them understand their energy consumption and provide the technical capability to self-supply some of their energy needs as desired. We will continue to implement our advanced distribution management system and prepare and strengthen our grid for more renewables and the increased electrification of our daily lives. Our grid needs to be reliable, secure and responsive to changing customer needs, and we will invest in transmission reliability, real-time asset health information and increased cyber monitoring capability for critical infrastructure.

As we move toward net-zero emissions across all industries, energy demand will evolve as the electrification of the transportation industry and overall load growth increases. In preparation, we will continue to increase our transmission capability and reliability in 2024/25 and improve our overall grid management and power quality to support electrification initiatives. We will also continue to invest in and promote energy efficiency programs to help customers manage their energy usage while continuing to evolve demand-side management to meet in-province load requirements. As electrification unfolds, we will continue modernizing rates to be fair, equitable and adaptable to the changing demands and customer perspectives while providing appropriate price signals and reducing barriers to greenhouse gas reduction opportunities.

As we transform, we must improve the customer experience at every interaction and respond to evolving customers' needs by creating new products and services outside our core electricity business. Over the course of 2024/25, we will enhance our existing products and services to improve NB Power's SureConnect and Water Heater service offerings and seek opportunities to develop new offerings.

Transforming the utility to energize the future of NB Power will take the collective will and hard work of our entire team. Every employee will have a role to play in NB Power's transformation. This Strategic Plan will build a thriving workforce, improve customer experience and foster stronger engagement with customers, employees, International Brotherhood of Electrical Workers (IBEW) Local 37, First Nations communities and stakeholders.

Our team will achieve our plan by being open, honest and transparent with each other to build trust. Throughout the year, we will focus on attracting and retaining talent, engaging our employees, continuing our employee-first communications efforts and providing them an opportunity to grow and develop new ways of working and thinking, while demonstrating our vision, mission and values in everything we do. We will also seek opportunities to collaborate with IBEW Local 37, seeking ways to work together to effectively transform the employee experience and meet the needs of a very different future.

We will continue to pursue operational and cost efficiencies, modernize our governance, processes and technologies, improve our business decision-making capability and effectively manage our risks.

We are committed to transforming our operations to respond to a variety of drivers of change, as well as our customers' changing expectations, ensuring energy security and accelerating a sustainable clean energy transition.

## 2024/25 BUSINESS PLAN

The 2024/25 Business Plan supports our path to transformation. It reflects our attention on areas that support our strategic goals and transformers and ensures we deliver the Shareholder's mandate.

Our team of New Brunswickers work every day to proudly deliver safe, reliable energy while remaining committed to affordability. To maintain and grow our business, we are challenging ourselves to ensure we are doing things smartly and efficiently. As we embark on this journey, we remain committed to significant and meaningful transformation that benefits our customers and the province.

In alignment with our Strategic Plan and the mandate provided by the Province, our Business Plan outlines our plans for 2024/25 to meet the changing energy landscape, customers' and industry expectations.

Working together, NB Power has made every effort to reduce controllable costs, rationalize capital investment requirements and minimize upward rate pressure while working towards a debt/equity ratio of 80/20 by 2029. The cost optimization review has identified savings that allow the company to become more efficient, effective and lean.

Throughout 2024/25, we will lay the foundation and demonstrate progress towards the longer-term strategic objectives by achieving the incremental goals and initiatives reflected in our Business Plan.

## Transition to a Cost-Effective, Clean and Secure Energy Supply – *Transition*

NB Power must establish a path to achieve net-zero climate goals, while ensuring energy security and addressing its financial health.

### Strategic Approach

NB Power's strategic approach to achieving net-zero supply goals by 2035 includes progressing planning work on several key supply assets and pursuing partners that can enhance experience and help share the costs and risks of the transition.

### 2024/25 Initiatives

- progress detailed engineering and site preparation activities for the Mactaquac Life Achievement Project (MLAP)
- execute PLNGS improvement plan for increased reliability
- pursue a partner for PLNGS ongoing station improvement
- progress site licensing requirements for small modular reactors (SMRs)
- validate alternative fuel options at the Belledune Generating Station
- finalize power purchase agreements with successful Request for Expression of Interest proponents to provide cost-effective renewable and energy storage solutions
- pursue alternative financing options to support major projects

## Modernize the Grid – *Modernize*

NB Power must accelerate grid modernization efforts that support electrification, integration of renewables, mitigating the impacts of climate change and improving the customer experience.

### Strategic Approach

NB Power operates and maintains diverse transmission and distribution infrastructure. To sustain high levels of safe and reliable performance, NB Power needs to ensure preventive maintenance activities are completed, while regularly and strategically investing in infrastructure.

### 2024/25 Initiatives

- continue mass deployment of smart meters through the advanced metering infrastructure program
- improve transmission reliability by replacing or upgrading end-of-life equipment
- install additional online monitoring sensors to provide real-time asset health information
- progress the implementation of advanced distribution management system
- implement additional cyber monitoring capability for critical infrastructure

## Electrify and Grow Load – *Electrify*

NB Power must maximize revenue growth through electrification and safeguard against load losses. This also includes realigning our rates to provide options for customers and support energy efficiency.

### Strategic Approach

As NB Power transitions to a cleaner supply, energy demand will also evolve and electrification is a critical enabler to realizing net-zero goals by 2035. This includes electrifying customers as they transition toward cleaner electricity consumption, including renewables, to reduce their carbon emissions and promoting efficient use of electricity through internal and external programs. Targets include short-, medium- and long-term actions to ensure sustainable operations for future generations.

### 2024/25 Initiatives

- implement additional demand response programs to support efficiency and meet in-province load requirements
- execute efficiency programs with specific focus for those most in need and non-electric fuel customers (e.g. Enhanced Energy Savings Program)
- continue to modernize rate design
- design and begin to install control equipment to improve overall grid management and power quality
- conduct the electrification potential study
- continue to offer programs that incent New Brunswickers to purchase new or used electric vehicles

## Deliver Competitive Customer Value – *Compete*

NB Power must respond to customer needs and create new revenue streams by creating products and service offerings, using partnerships to balance the economic and capability requirements needed to succeed.

### Strategic Approach

NB Power's approach to improving the experience and increasing the overall value for customers is focused on enhancements to existing customer-facing processes and establishing the ability for NB Power to offer new products and services to meet customers' needs.

### 2024/25 Initiatives

- implement a modern customer care platform
- continue to enhance our customer-facing websites
- improve NB Power's SureConnect and Water Heater service offerings
- increase revenue and provide customer value from existing and new customer product and service offerings

## Create a Thriving Workforce – *Thrive*

### Strategic Approach

NB Power must transform its workforce to be capable in a very different future. This requires new ways of working, new behavioural mindsets, new organizational structures, new talent sets, new rewards systems and effective recruitment and retention strategies.

### 2024/25 Initiatives

- continue to focus on employee and public safety, including employee well-being
- deploy attraction and retention strategies
- increase employee engagement
- inspire and enable employee learning development and growth
- align core policies and programs with vision, mission and values

## Align, Engage and Optimize – *Organize*

### Strategic Approach

NB Power must effectively make the transition from strategy to execution. This requires establishing a clear plan for transformation and modernizing our governance, processes, behaviours and technologies. This also includes ensuring all areas of the business are cost-sustainable through continuous improvement.

### 2024/25 Initiatives

- implement sustainable cost optimization savings and process efficiencies
- plan and begin to implement digital enhancements
- continue to foster strong partnerships with First Nations communities
- enhance communications and engagement with customers, employees and stakeholders
- enhance asset management and investment governance processes and methodologies

# KEY PERFORMANCE INDICATORS

In order to evaluate progress against the longer-term objectives of the Strategic Plan and the near-term objectives and goals set out in the Business Plan, NB Power will maintain enterprise key performance indicators to provide visibility into NB Power’s performance.

In 2024/25, NB Power will measure and report performance against the following key performance indicators on a quarterly basis.

Key Performance Indicators	2024/25 Target
Total Recordable Injury Frequency Rate	0.91
Customer Satisfaction Score	≥725
Net Earnings (\$ millions)	64
Net Capital Expenditures (\$ millions)	589
Change in Net Debt (\$ millions)	216
Cost Optimization Savings (\$ millions)	27.5
System Average Interruption Duration Index (SAIDI)	5.25
System Average Interruption Frequency Index (SAIFI)	2.10
Nuclear Net Capacity Factor (%)	67.3
Investments in Critical Grid Modernization Projects (\$ millions)	47
Per cent Renewables (Renewable Portfolio) (%)	40
Electricity savings from Energy Efficiency Programs (MWh)	80,000

Attachment A contains definitions for each of the key performance indicators.

## FINANCIAL HIGHLIGHTS

NB Power is committed to improving its financial health. It will continue to implement cost optimization efforts to manage costs for customers and ensure reliable station performance to provide cost-effective energy for customers while generating export energy sales. All of this will support NB Power to achieve its 80/20 debt/equity ratio by March 31, 2029 while maintaining the lowest possible rates for customers.

In 2024-25, NB Power will measure and report performance against the following financial targets on a quarterly basis.

Financial Highlights (\$ millions)	2024/25 Budget
(1) In-province revenue	\$1,925
(2) Out-of-province revenue	575
(3) Fuel and purchased power expense	1,293
(4) Gross margin (row 1+2-3)	1,208
(5) Miscellaneous revenue	97
(6) Operation, maintenance and administration	620
(7) Depreciation and amortization	390
(8) Taxes	50
(9) Operating earnings (Row 4 + 5 - 6 - 7 - 8)	246
(10) Finance costs	(314)
(11) Sinking funds and other investment income	19
(12) Mark-to-market of fair value through profit and loss investments	48
(13) Net earnings before adjustments in regulatory balances (row 9 + 10 +11+12)	(2)
(14) Net changes in regulatory balances	66
(15) Net earnings (row 13+14)	64
(16) Capital expenditures (net)	589
(17) Net debt	5,604
(18) Change in net debt	224
(19) Per cent debt in capital structure	91%

*\*Financial table sums may reflect differences due to rounding*



## ATTACHMENT A – KEY PERFORMANCE INDICATOR DEFINITIONS

Key Performance Indicator	Definition
Total Recordable Injury Frequency	(Number of Fatalities + Number of Lost-time Injuries + Number of Medical Aids) X 200,000 / Exposure Hours
Customer Satisfaction Score	Customer Satisfaction Index measures the following factors for residential customers: power quality and reliability, price, billing and payment, corporate citizenship, communications, customer service
Net Earnings (\$ millions)	Revenue less fuel and purchased power, Operations, Maintenance and Administration (OM&A), depreciation and amortization, taxes, finance charges, other income, profit/loss investments and regulatory balances
Net Capital Expenditures (\$ millions)	Capital investments less customer contributions and grants
Change in Net Debt (\$ millions)	Tracks the increase or decrease in the net debt balance
Cost Optimization Savings	Cost savings associated with continuous improvement and cost management activities
System Average Interruption Duration Index (SAIDI)	Average number of hours customers were without power (based on three-year average 2021-23)
System Average Interruption Frequency Index (SAIFI)	Average Number of Interruptions in power (based on three-year average 2021-23)
Nuclear Net Capacity Factor (%)	The ratio of the energy that the nuclear power reactor unit has produced over a specific period divided by the energy it would have produced at its reference power capacity over that period
Investments in Critical Grid Modernization Projects (\$ millions)	Total dollars invested in critical upgrades to improve the grid
Per cent Renewables (Renewable Portfolio) (%)	The total of all renewable resources (as defined in NB regulation 2015-60 renewable generation and qualified renewable purchases) as a percentage of in-province load
Electricity Savings from Energy Efficiency Programs (MWh)	The total Megawatt hours saved from energy efficiency programs



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