



Énergie NB Power



# ENERGIZING OUR FUTURE

Strategic Plan 2023-2035





“Our new strategic plan will power New Brunswick forward to a cleaner, greener future; one that is both financially and environmentally sustainable. Starting today, we will ensure we deliver competitive value to our customers while we transition to a cost-effective clean energy supply, modernize the grid and drive electrification and load growth.”

- *Lori Clark, President & CEO*



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# MESSAGE FROM OUR PRESIDENT AND CHIEF EXECUTIVE OFFICER

**NB Power is on the cusp of a transformation being driven by our desire to meet customers' evolving expectations while placing us in a stronger financial position and continuing our path to cleaner, greener energy.**

These changes are an opportunity for us to put 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 our expenses.

These days of uncertainty will require new ways of thinking and new ways of operating.

So much that affects our operations, and our bottom line, is beyond our control. Global challenges such as inflation, political and social unrest, supply chain disruption and climate change impacts are having massive impacts on our business. However, how we choose to evolve in this uncertain world is within our control.

Our strategic plan, *Energizing Our Future*, is designed to ensure we are making the right strategic decisions to meet the needs of New Brunswickers. We took a hard look at New Brunswick's regulatory environment,

our Shareholder's expectations, as well as our operational and infrastructure needs. We also engaged an experienced third party to help guide us through the process and ensure we took a provincial, national and global view of the future. Our new vision, mission and values reflect these inputs and our aspirations, and serve as the basis of our strategic plan.

*Energizing Our Future* begins today and will help us get to our net zero supply requirements in 2035. Our current generation fleet and our current usage of electric-based space heating positions our province ahead of many others on the journey to decarbonization. Today, approximately 80 per cent of our energy comes from carbon-free sources.

Our plan will mean exploring new, cleaner ways of delivering energy to our customers and seeking new partnerships to improve our service delivery and our financial position. Our customers need tools to improve their energy efficiency. We need a stronger, smarter grid. We will pursue small modular reactors and find new revenue opportunities.

Every employee and partner will have a role to play in NB Power's transformation. The new strategic plan will generate better value for our

customers, stronger engagement with Indigenous communities and our stakeholders and create a thriving workforce that continues to evolve to make our company, and our province, a better place to live and conduct business.

Our plan has six transformers that will lead to success for our utility. Starting today and through to 2035, we will undertake transformational change to ensure we transition to a cost-effective clean and secure supply of energy by modernizing our grid and driving electrification.

The specific actions we will take to implement this strategic direction will be detailed in our business plan, providing concrete deliverables and timeframes year-over-year as we progress toward our long-term outcomes. As the future rolls out, we will check and adjust our plans to support our customers' needs.

We are energized by the work to come, and we are leaning into the future with determination and confidence. We remain an essential part of the everyday lives of our customers and are committed to ensuring our privilege to serve is at the centre of everything we do.

*Lori Clark, President & CEO*



# OUR VISION, MISSION AND VALUES



## 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

We are committed to the safety of every employee and member of the public through

- planning safety into the work
- following the rules
- being a leader in safety
- reporting so we can all get better
- having courage
- saying no to unsafe work



### CARE FOR OUR TEAM

We care for our team. We are open, honest and transparent with each other to build trust. We embrace diversity, creating an inclusive culture that supports employee well-being, encourages continuous learning and drives high performance.



### CARE FOR OUR CUSTOMERS

We care for our customers. We put their experience at the centre of everything we do. We are committed to delivering relevant and valuable solutions. We act with integrity and do what we say we are going to do.



### CARE FOR OUR FUTURE

We care for our future. We work with customers and communities to explore and deliver on their evolving energy needs while being environmentally responsible for future generations. We are curious and open to new ways of working.





## DISRUPTIVE CHANGE IS POWERING A CLEANER FUTURE

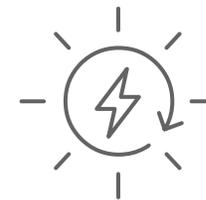
As the world is changing, NB Power is experiencing disruptive change that provides the opportunity to transform our business to focus on customer experience, energy security and a sustainable clean energy transition.

The changes are resulting in shifts to how we see the future landscape and the paths we will pursue to be successful in the future.

Evolving customer expectations are at the centre of our transformation, driving the electricity sector to move from a one-size-fits-all service provider to one that provides more choice and more value than ever.

The competitive environment is also expanding as new entrants come into market and non-traditional competition emerges. The competitive intensity will result in customer insights driving organizational decisions. Digitized and technology-enabled competitors will deliver product to market quickly and provide value to customers. Agility will be a key success factor to respond to customer demands and economic changes.

At the same time, the pace of decarbonization is rapidly focusing the electricity sector's efforts to be net zero by 2035. There is an opportunity for the sector to grow its market as large industry and transportation also move toward decarbonization, relying on electrical processes and systems to get them there.



### WHAT IS DISRUPTIVE CHANGE?

Disruptive change occurs when the fundamental concepts and processes of an industry or business start to shift in irreversible ways.



Across industry, we are cognizant that the transition to a future of sustainable environmental, social and governance practices will be valued by customers and spur investments in capital markets.

### **Technology development is also behind significant change across our sector.**

The future will be one where customers across all ages will be the impetus for these technological changes and we can expect they will easily adapt to the new technology. The utility of the future will be highly technology-enabled and seamlessly integrate and manage new centralized technologies and an array of decentralized energy resources. As energy sharing markets develop, the shift to microgrids, vehicle-to-grid, vehicle-to-home and virtual power plants will become our future state.

As other disruptors of change push forward, they will put pressure on an already strained economic position for NB Power and New Brunswick. For the last 10 to 15 years, we have been providing a high level of service across all

areas of the business, while only maintaining minimal cost recovery. We have acquired significant debt.

### **Fundamental change is necessary to strengthen our financial position and be ready to address the challenges ahead.**

We must take a multi-faceted approach to deal with our debt and keep rates as low as possible. Current economic predictions suggest continued population growth and economic development, which means NB Power will not be able to achieve financial sustainability through our current cost of service model. NB Power and other government agencies will need to continue working together to address affordability and access challenges for low-income customers.

NB Power will undertake new ways of working, like the development of partnerships and the pursuit of commercial-based products and services, to ensure financial growth in a more sustainable way.

As disruptors of change in the energy industry converge, regulations and market conditions will also need to evolve. A responsive government approach to policies and regulations around energy rates and pricing will allow for utilities and other providers to serve customers in new ways and remain financially viable. The modernization of the grid and the emergence of direct-to-customer products and services will grow over the next decade and require regulatory reform to be proactively influenced by winning approaches like rate reform and efficiency programs.

The disruptive changes facing our business serve as the basis for our strategic decisions to energize our future.

### **Our strategic response is one that must centre on the customer experience and meet the needs of our Shareholder, ensuring energy security while accelerating a sustainable clean energy transition.**





# OUR STRATEGIC RESPONSE

## COMMITMENT TO OUR CUSTOMERS

Customers' expectations in every sector are shifting and driving business transformation. At NB Power, we see the shift in our customers' expectations as our opportunity to provide an effortless experience while meeting their evolving, cleaner energy needs. Customers' increased interest in clean energy and the electricity sector's focus on decarbonization to reduce the impact of climate change will energize our future. And the future requires products, services and pricing models that are flexible, with reliability as a given.

As customers look for providers who can deliver multi-faceted products and services to meet their evolving energy needs, it will be more important than ever to position NB Power to deliver relevant and valuable energy solutions.

We take our responsibility to our customers seriously, knowing customers depend upon us to provide them with safe, reliable power and tools to manage and reduce their energy costs. For the last 10 to 15 years, we have been providing a high level of service across all areas of the business, while only maintaining minimal cost recovery. We have acquired significant

debt. We need to be in a stronger financial position to face the challenges ahead. We must take a multi-faceted approach to deal with our debt and keep rates as low as possible.

Our strategic plan will help us plot a course through the tough decisions and exciting opportunities ahead. Our team is committed to balancing our requirements so that customers can continue to count on NB Power to energize their lives.



## COST-EFFECTIVELY DECARBONIZE OUR SYSTEM

The world is changing and so is our climate. More frequent and increasingly intense weather events caused by climate change are posing challenges for NB Power’s electrical grid. They’re also posing challenges for our workforce on the front lines serving customer needs, operating generating stations and managing vegetation in severe conditions to keep New Brunswickers warm and safe and provide them with a reliable energy source.

The rising temperatures and unpredictable weather are causing citizens to demand clean energy solutions that will slow the impacts of climate change. The Government of New Brunswick has responded with its *Climate Change Action Plan* to reach net-zero emissions province-wide by 2050. A decarbonized electricity system is required by 2035 as other industries move from higher-emitting processes to processes that demand more electricity to achieve net zero.

Energy needs are increasing as technology and electrification become an ever-bigger part of day-to-day life. Current fuel costs and interest rates have been very volatile, resulting in uncertainty in future projections.

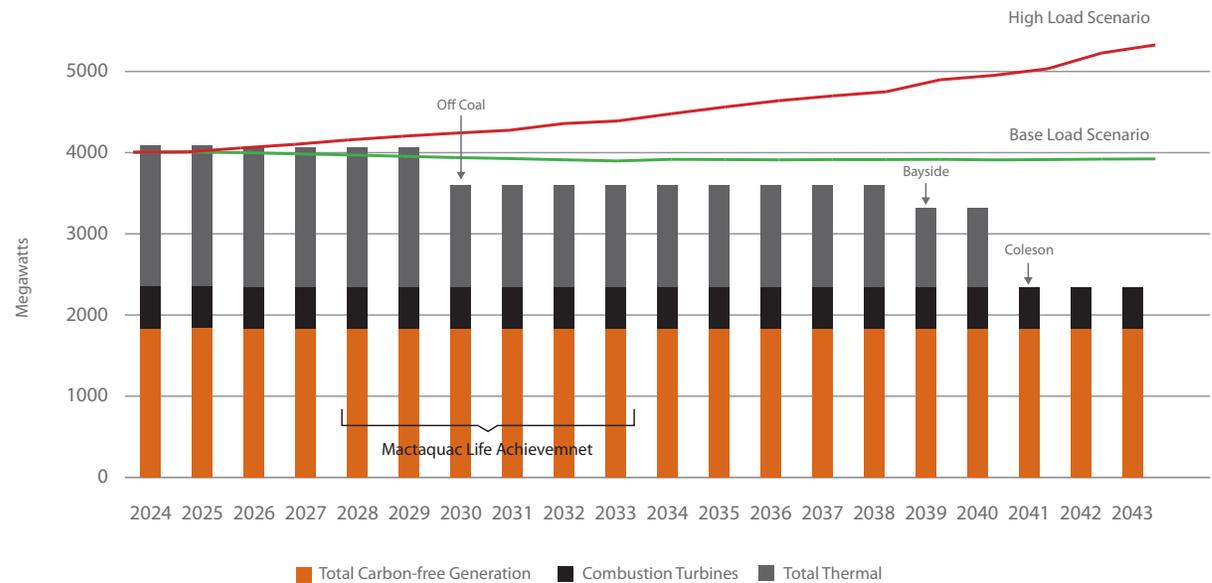
All of these disruptions result in greater costs, for both NB Power and our customers. Our customers expect us to be responsible and solution-oriented. We have a duty to manage our expenses and provide the best value possible.

As the energy world and electrification needs continue to evolve, NB Power needs to be willing to do the same. That means looking at every aspect of our business and ensuring we make the right strategic decisions to meet the needs of New Brunswickers. This could

mean changes in our asset mix, changes in where we invest and the development of new and innovative partnerships.

What we won’t change is our commitment to helping New Brunswickers manage their energy usage, so they can reduce their costs while fighting climate change. Energy efficient homes and businesses demand less from the grid, reduce emissions and ease the transition to renewable energy.

### LOAD AND RESOURCE REVIEW



As NB Power faces increasing load and the retirement of traditional generation, we see the opportunity to embrace renewable energy as a means to meet the electricity needs of New Brunswickers.





## INVEST IN CLEAN ENERGY

We need to invest in and create new partnerships for renewable and clean energy solutions as we move to a low-carbon future.

Our current generation options and our current usage of electric-based space heating positions our province ahead of many others on the journey to decarbonization. Today, approximately 80 per cent of our energy comes from carbon-free generation.

Hydroelectricity is our dominant source of renewable energy and the Mactaquac Generating Station is a critical piece of our infrastructure. Subject to required approvals, we will take on the Mactaquac Life Achievement project over the course of this plan. This will be a significant undertaking for NB Power that is important to meeting our net-zero goal. NB Power is also partnering with Aboriginal businesses on renewable energy projects. The Wisokolamson Wind Energy Project in Albert County and the Oinpegitjoig wind project

in Pabineau as well as many investments in solar energy within Indigenous communities are now providing New Brunswickers with environmentally responsible energy.

We will also need to phase out coal use at the Belledune Generating Station by 2030. We will pursue small modular reactors to energize New Brunswickers with safe and reliable carbon-free electricity.





## TRANSITION TO A STRONGER, SMARTER GRID

NB Power has a critical need to modernize and maintain the grid so it can respond to our customers' increasing energy needs and the pace of decarbonization. To date, NB Power lags behind other Canadian utilities in areas such as smart meters and advanced distribution management infrastructure needed to advance customer offerings, electrification and renewable integration. We must accelerate these investments as a near-term imperative to our strategic goals in this plan. We also need to deal with our aging infrastructure, much of which was built at a time when weather patterns were different.

While NB Power maintains robust transmission and distribution grids, significant upgrades are required to our aging infrastructure to ensure the system can handle near- and long-term requirements such as increased renewables, two-way energy flows, increased energy demands and maintaining operational reliability.

A more interactive grid also benefits customers as it provides the digital backbone for new services and solutions. A modernized grid will be able to self-assess, respond and repair as needed and will have the ability to monitor and mitigate cyber threats.

Customers will see increased reliability as we use digital sensors to better understand grid performance. A smarter grid provides the utility

with proactive information to avoid outages, gives customers improved communications before outages and better response times during outages. The modern grid will serve as an enabler to provide customers with more energy usage and management tools, rates and services.

In Shediac, we have partnered with approximately 400 homeowners to install and test energy technology that includes solar and battery energy storage systems and smart thermostats. Smart energy technologies are giving the homeowners more information and control over their energy use. Solar panels, battery energy storage and energy efficiency upgrades have been added to two significant Shediac buildings that are connected to NB Power's first grid-connected 1.63 megawatt solar farm.





## **ENABLE OUR EMPLOYEES TO LEAD THE WAY**

NB Power is New Brunswick's energy company and our utility touches every aspect of life here in New Brunswick. We take that responsibility seriously because we are New Brunswickers, working to provide safe, reliable power to our friends, families, neighbours and businesses. Whether we are working in a generating station, in the field, managing the electricity system and its operations, serving customers, delivering energy efficiency programs or providing corporate services, our team is dedicated to

powering New Brunswick homes, businesses, schools and hospitals – 24 hours a day, seven days a week.

The success of this plan cannot be delivered without creativity, ingenuity and dedication. Our team has the power and passion to succeed in this monumental task and our leaders are committed to meeting the demands outlined in this plan in a customer-led and transparent way.

Transforming the utility to energize the future of New Brunswick 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 and success. This strategic plan will build on a thriving workforce, improved customer experience and stronger engagement with rightsholders and stakeholders. Our team will achieve our plan by being open, honest and transparent with each other to build trust. By embracing diversity, we will create an inclusive culture that supports employee well-being, encourages continuous learning and drives high performance for the benefit of our customers and our collective future.

We will transform the utility by using our team's collective enthusiasm to turn it into even greater success for our customers.



# STRATEGIC TRANSFORMERS AND OBJECTIVES



## TRANSITION TO A COST-EFFECTIVE, CLEAN AND SECURE ENERGY SUPPLY

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

### OBJECTIVES

- Phase out coal by 2030 and achieve net-zero supply by 2035, while maintaining energy security
- Achieve debt equity requirements and improve access to commercial capital
- Ensure high standards of performance in safety, reliability and cost effectiveness across our nuclear, conventional and renewable generation suppliers



## MODERNIZE THE GRID

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

### OBJECTIVES

- Upgrade aging infrastructure to prepare the system for increased renewables, two-way energy flows, increased energy demands and maintaining reliability
- Digitalize our systems and assets and utilize analytics to improve the customer experience and optimize our operations
- Ensure our infrastructure is secure and responsive to changing customer needs



## ELECTRIFY AND GROW LOAD

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

### OBJECTIVES

- Align pricing and rate structures to meet growing customer needs, optimize energy usage and enable growth
- Drive electrification and pursue load growth to support decarbonization, adapt to climate change imperatives and create new value for in-province and neighbouring markets
- Provide energy solutions to help customers better manage their energy needs and advance energy efficiency





## DELIVER COMPETITIVE CUSTOMER VALUE

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

### OBJECTIVES

- Increase cash flow by creating new revenue opportunities outside our core electricity business
- Deploy grid-integrated solutions that provide customer value
- Identify and develop commercial offerings, leveraging our expertise and infrastructure



## CREATE A THRIVING WORKFORCE

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.

### OBJECTIVES

- Proactively attract and build a workforce that is responsive to the future needs and expectations of our customers
- Stimulate and enable employees to learn, develop and grow themselves and the company
- Establish a strategy that supports the diverse needs of our employees, consistently recognizes high performance and reflects our values



## ALIGN, ENGAGE AND OPTIMIZE

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

### OBJECTIVES

- Establish a clear and compelling story and roadmap to align and engage all stakeholders to achieve the objectives of the strategic plan
- Establish and demonstrate a culture that puts the customer first, improves financial health and reflects our renewed vision, mission and values
- Ensure the transformation of NB Power meets strategic objectives, performance standards and is self-sustaining

*Note: Initiatives for these transformers are identified in the Appendix - 2023/24 Business Plan Action Plan*





## STRIVING FOR SUCCESS

**Success with our strategic plan will be realized through the achievement of the objectives outlined in each of the transformers.**

This recognizes that our plan will require us to evolve the fundamental nature of our work and how we measure success over time. For example, we know that customer expectations will continue to grow beyond the current essentials of affordability and reliability.

We also know that achieving financial health will require more than managing rates, improving asset reliability and cost management. Leaning into a low-carbon economy will also change the way we think about and use energy in our everyday lives.

Given the uncertainty out to 2035, this plan will be refreshed every five years to ensure it accurately reflects a more certain future. Incremental progress toward achieving the objectives will be reflected in our Business Plan, which includes specific measures and targets.





## **APPENDIX**

### **BUSINESS PLAN ACTION ITEMS**

While the strategic plan takes a longer-term view, NB Power's business plan focuses on action items for the coming year. This portion of the strategic plan will be updated annually to reflect the current year's action plan and key performance indicators to track progress. We will report on these measures on a quarterly basis.

# 2023/24 BUSINESS PLAN ACTION ITEMS



## 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 debt challenges.

### 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.

### 2023/24 INITIATIVES

- modernizing the Integrated Resource Plan
- securing approvals, environmental impact assessment and detailed engineering for the Mactaquac Life Achievement Project (MLAP)
- evaluating alternative fuel at Belledune Generating Station
- finalizing financial construct and site licensing gate for small modular reactors
- pursuing partnerships and financial restructuring options
- executing Point Lepreau Nuclear Generating Station (PLNGS) improvement plan
- completing Request For Expression of Interest on renewables and storage (solar, wind, tidal, batteries)



## MODERNIZE THE GRID – **MODERNIZE**

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

### STRATEGIC APPROACH

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

### 2023/24 INITIATIVES

- beginning mass deployment of advanced metering infrastructure meters
- progressing the implementation of advanced distribution management systems (ADMS)
- continuing construction of alternate Energy Control Centre to enable ADMS implementation, meet regulatory requirements and integrate grid modernization
- completing the Smart Grid Atlantic project
- enhancing cyber monitoring on critical infrastructure
- improving transmission reliability by replacing or upgrading end-of-life equipment
- installing online monitoring sensors to provide real-time health information
- constructing new grid components that will enable electrification





## **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 production, 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.

### 2023/24 INITIATIVES

- completing an electrification roadmap
- executing efficiency programs and helping New Brunswickers with energy efficiency programs, with specific programs developed for those most in need
- investing in efficiency incentives for non-electric fuel and electricity customers
- continuing to offer programs that incent New Brunswickers to purchase new or used electric vehicles
- modernizing rate design



## **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.

### 2023/24 INITIATIVES

- evaluating alternatives for new customer product and services offerings, such as launching an in-home EV charging solution
- implementing a modern customer care platform and enhancing our customer-facing websites
- enhancing Energy Efficiency program offerings for customers
- increasing revenue from existing 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.

### 2023/24 INITIATIVES

- understanding and improving employee engagement
- developing an employee value proposition
- aligning performance management program with vision, mission and values
- inspiring and enabling employee learning development and growth
- aligning core policies and program 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.

### 2023/24 INITIATIVES

- launching the transformation of NB Power
- executing wave one of cost optimization improvements
- finalizing technology roadmap
- finalizing customer roadmap
- implementing an employees-first communications approach
- continuing to foster strong partnerships with Indigenous communities

## 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 2023-24, NB Power will measure and report performance quarterly against the key performance indicators in the table below.

| KEY PERFORMANCE INDICATORS  | 2023/24 TARGET |
|---|----------------|
| Total Recordable Injury Frequency Rate                            | 0              |
| Customer Satisfaction Score                                       | ≥725           |
| Net Earnings (\$ millions)  | 16             |
| Net Capital Expenditures (\$ millions)                            | 395            |
| Change in Net Debt (\$ millions)                                  | 25             |
| System Average Interruption Duration Index (SAIDI)                | 5.4            |
| System Average Interruption Frequency Index (SAIFI)               | 2.15           |
| Nuclear Net Capacity Factor (%)                                   | 89             |
| Investments in Critical Grid Modernization Projects (\$ millions) | 42             |
| Per cent Renewables (Renewable Portfolio) (%)                     | 35             |
| Electricity savings from Energy Efficiency Programs (MWh)         | 69,000         |

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



# 2024/25 BUSINESS PLAN ACTION ITEMS



## 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 debt challenges.

### 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 supporting electrification, integration of renewables, mitigating the impacts of climate change and improving the customer experience.

### STRATEGIC APPROACH

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



## 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 quarterly against the key performance indicators in the table below.

| 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.



## ATTACHMENT A – KEY PERFORMANCE INDICATOR DEFINITIONS

| KEY PERFORMANCE INDICATOR   | DEFINITION   |
|---|--|
| Net Earnings (\$ millions)  | Revenue less fuel and purchased power, operations, maintenance and administration (OM&A) expenses, 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  |
| Customer Satisfaction Score                                       | Residential Customer Satisfaction Index. East Midsize category. The index measures the following factors: power quality and reliability, price, billing and payment, corporate citizenship, communications, customer service |
| 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                                |
| 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  |
| Investments in Critical Grid Modernization Projects (\$ millions) | Total dollars invested in critical upgrades to improve the grid  |
| Electricity Savings from Energy Efficiency Programs (MWh)         | The total Gigawatt hours saved from energy efficiency programs   |
| Total Recordable Injury Frequency Rate                            | $(\text{Number of Fatalities} + \text{Number of Lost-time Injuries} + \text{Number of Medical Aids}) \times 200,000 / \text{Exposure Hours}$   |







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