



# 2025/26 BUSINESS PLAN



**Énergie NB Power**

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## Submission Letter

June 2025

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

Minister,

We are pleased to submit the 2025/26 Business Plan of New Brunswick Power Corporation for the fiscal year beginning April 1, 2025 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 2025/26 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, a solar farm and the Point Lepreau Nuclear Generating Station, 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 3,772 MW, with an additional installed generating capacity of 609 MW, including 514 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 Energy and the Shareholder's expectations are expressed through legislation, policies and a mandate letter. NB Power's most recent mandate letter calls for a focus on financial sustainability directives, customer metering and billing, energy efficiency, customer communications and accountability reporting.

### Comprehensive Review

The Government of New Brunswick has identified the need to undertake a comprehensive review of the utility to ensure that everything possible is being done to provide competitive and stable rates, ensure reliability of service and position the utility to manage growth and the clean energy transition in an affordable, competitive and financially sustainable way. The review will focus on four priority areas

- financial sustainability
- governance and utility structure
- investor attractiveness / strategic partnerships
- customer expectations

NB Power will play an important role in the comprehensive review of the utility to support the steering committee, advisory committee and individuals conducting the review. NB Power will participate and provide timely information and advice as the committees and individuals gather and analyze data, conduct engagement activities and develop recommendations based on their findings.

## Financial Planning for Sustainability

NB Power remains committed to achieving a capital structure of at least 20 per cent equity to achieve financial health. NB Power will deliver by October 1, 2025 a three-year financial plan with annual targets that make meaningful progress on the 20 per cent equity target while managing the upward pressure on rates. These actions will be balanced with ensuring NB Power earnings are adequate to allow the utility to absorb uncontrollable risks and make system investments to deliver safe, reliable energy, providing energy security for New Brunswickers while remaining committed to keeping rates as low as possible.

Continuous improvement is a key tool NB Power uses to make meaningful cost reductions that lead to more affordable electricity rates for New Brunswickers and achieve financial sustainability. As part of its financial plan, NB Power will increase its \$27.5 million in cost savings target by four per cent in 2026/27 and carry those savings forward in future years.

The financial plan serves as the basis of the general rate application filed with the New Brunswick Energy and Utilities Board (EUB). NB Power will ensure it advises the government of the financial outlook for any period covered by the rate application before filing its application. Following the decision of the EUB, NB Power will adjust and file with government a revised financial plan reflecting the EUB decisions.

## Customer Metering and Billing

In response to customer concerns about rising bills in December 2024, NB Power immediately conducted an internal review to ensure customers were billed accurately. In January 2025, the provincial government and NB Power's Board of Directors ordered an independent assessment of NB Power's billing and metering systems. KPMG completed the review, which is available on the NB Power website. The assessment examined customer data and conducted tests on 540 meters. The results confirmed that NB Power's systems are working properly, with no differences in how smart meters and traditional meters record electricity use. Higher bills were caused mainly by increased rates and higher consumption due to colder weather—consistent with findings from neighbouring utilities. The results indicate that customers are only being charged for the electricity they use.

To help customers better manage their usage and anticipate higher bills, NB Power prepared an action plan to respond to the results of the bill assessment. NB Power filed the action plan within 30 days of the filing of the final report with the NB Legislature's Standing Committee on Public Accounts.

## 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*.

To support more affordable energy costs, NB Power will continue to deliver the Enhanced Energy Savings Program to New Brunswick households with income levels below \$70,000, helping participants manage their energy costs through efficiency upgrades.

As new opportunities arise, NB Power will work with the Province of New Brunswick to develop new retrofit programs that are complementary to existing programs being offered. Should funding become available, NB Power will support the Province in the development and possible delivery of a solar retrofit

program, establishing targets to be included in the annual plan and reported against in the annual report.

## Customer Communication

NB Power is committed to open, honest and transparent communications with customers. As NB Power transforms, it is undertaking a number of major projects such as smart meters and the Mactaquac Life Achievement Project, while maintaining its operations that can include planned maintenance activities at generating stations and unplanned outages.

Communicating with customers throughout its activities by using various tools including social media, the NB Power and SaveEnergyNB websites, customer emails and letter and in-person sessions, will help rebuild New Brunswickers' trust in the utility. As the energy industry evolves, NB Power will also work to improve energy literacy in the province so New Brunswickers are better equipped to manage their energy usage and costs and participate fully in New Brunswick's energy future.

## Reporting

NB Power remains committed to transparency and accountability to all New Brunswickers. Its business plans and annual reports identify key targets and the progress against those.

NB Power will submit its annual business plan by no later than April 15 of each year, and publish it on the NB Power website, which will include key performance indicators for the fiscal year. NB Power will also report on any proposed adjustments to the annual plan with corresponding evidence.

On an annual basis, NB Power will prepare and submit to Government its Audited Financial Statements. NB Power will also publish on its website its annual report that is compliant with the statutory obligations of the *Accountability and Continuous Improvement Act* and includes

- targets in that given year and the progress towards meeting those targets
- reports on the key performance indicators outlined in the fiscal year's business plan
- evidence of meeting established fiscal targets towards the 20 per cent equity target
- cost savings that were achieved
- statistics that demonstrate interactions with New Brunswickers, such as unique visits to the NB Power website and social media posts
- an update on the status of Auditor General recommendations provided to the Corporation in the past five years

NB Power will also submit an annual Energy Efficiency Report, in which it will report against its energy efficiency activities, including

- updated information on total energy efficiency savings achieved for all sectors and fuel types
- a comparison to the previous year and any explanation as to why progress towards the 2028 target may not have been met
- a breakdown of each program delivered by NB Power that includes number of participants, average savings, participant costs and NB Power costs
- an explanation of the increase or decrease in participation from previous years and any efforts made to increase participation

All of these actions will help build trust with New Brunswickers, drive accountability and transparency.

# OUR STRATEGIC PLAN

## Energizing our Future

As the pace of change in all industries accelerates, the energy sector must respond to growing demands for energy. This response must include balancing the needs to provide clean energy, ensure reliability and energy security, modernize the grid, and providing affordability for our customers. NB Power remains committed to achieving this balance for the benefit of all New Brunswickers.

We continue to build on our storied history 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.

NB Power's *Energizing our Future – Strategic Plan 2023-2035* guides our 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.

Through our strategic plan, we are developing new ways of thinking and operating to address the disruptive change that is facing our business. We are positioning ourselves to respond to global challenges such as inflation, economic disruption and uncertainty, political and social unrest, supply chain disruption, the war for talent and the effects of climate change that continue to have significant impacts on our business.

We are also addressing population growth and the accelerated pace at which demand is growing locally, adjusting our plans to meet the demand requirements that are higher than planned for in the high electrification scenarios outlined in the 2023 Integrated Resource Plan. We are also looking for ways to keep our rates as low as possible for our customers as economic conditions challenge affordability for New Brunswickers across all household expenses.

Our plans consider the need to manage the impact of severe weather and aging assets that continue to put strain on our transmission and distribution system. We are also seeking ways to ensure we make critical investments in our aging generating fleet that maintain energy security.

*Energizing our Future* puts the customer at the centre of everything we do and evolving customer expectations are our opportunity to provide an effortless experience while meeting their evolving, cleaner energy needs. Our plan includes our transition from a one-size-fits-all service provider to one that provides customers an effortless experience and offers more choice than ever while responsibly managing our 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.

Transforming NB Power requires the collective will and hard work of our entire team. Every employee has a role to play in NB Power's transformation. We are improving our engagement with customers, employees, the International Brotherhood of Electrical Workers (IBEW) Local 37, First Nations communities and other stakeholders.

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 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



Care for Our Core

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 longer-term plan commitments.



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## 2025/26 BUSINESS PLAN

The 2025/26 Business Plan reflects our attention in year on areas that support our strategic goals and transformers and ensures we deliver on 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 2025/26 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. We remain committed to continuous improvements that allow the company to become more efficient, effective and lean.

Throughout 2025/26, we will continue to demonstrate progress towards the longer-term strategic objectives by achieving the incremental goals and initiatives reflected in this 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 includes progressing planning work on several key supply assets and pursuing partners that can enhance experience and to help share the costs and risks of the transition.

### 2025/26 Initiatives

- progress the planning, engineering, regulatory matters and procurement activities needed to initiate Government of New Brunswick approval for the Mactaquac Life Achievement Project
- execute the PLNGS generator rewind outage safely, on time and on budget
- continue to pursue partnership opportunities needed to achieve improved PLNGS performance
- determine new nuclear requirements to ensure energy security as part of net-zero plan
- progress the 2026 Integrated Resource Plan to refresh NB Power's strategy for achieving a net-zero electricity system
- complete engineering assessment to determine the viability of using alternative fuel at the Belledune Generating Station
- finalize power purchase agreements with successful proponents in response to the Request for Expression of Interest to provide cost-effective renewable and energy storage solutions
- progress the planning work required for the Renewables Integration and Grid Security project to support an additional 400 MW of capacity

## 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, and regularly and strategically invest in infrastructure.

### 2025/26 Initiatives

- complete 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 on system assets to provide real-time asset health information
- go live with advanced distribution management system upgrades to improve outage management, increase power system reliability and achieve improved customer response
- implement additional cyber monitoring capability for critical infrastructure
- obtain Energy and Utilities Board approval for three large capital transmission projects aimed at improving system reliability and providing capabilities for additional energy capacity

## Electrify and Grow Load – *Electrify*

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.

### 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. 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.

### 2025/26 Initiatives

- deliver efficiency programs on behalf of our provincial and federal funding partners and NB Power, with specific focus on helping low- and moderate-income customers reduce their energy costs, converting non-electric fuel customers and meeting legislated energy savings targets
- finalize electrification strategy and integrate demand side management planning into that growth strategy
- achieve further energy demand reductions through commercial and industrial customer programs aimed at maintaining energy security, reducing new generation requirements and reducing peak energy demand requirements
- explore options for achieving additional capacity to ensure energy security

## Deliver Competitive Customer Value – *Compete*

NB Power must respond to customer needs and maximize existing revenue streams through established 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.

### 2025/26 Initiatives

- maximize annual revenue from existing products and services lines
- develop strategy for time varying rates
- standardize energy billing days for customers
- evaluate and develop new business models that support corporate financial objectives for new and existing lines of business
- improve the customer experience using tools such as Design Thinking, Customer Journey Mapping, and contractor Quality Assurance (QA) to continuously evolve processes
- implement new payment options and communication channels
- enhance NB Power's corporate website to better meet customer needs and expectations

## 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.

### 2025/26 Initiatives

- implement a Diversity, Equity, Inclusion and Belonging Strategy that helps attract and retain a diverse set of talent to meet the organization's evolving needs
- improve the employee experience by implementing actions to based on employee engagement feedback
- introduce revised learning and development approaches to stimulate and enable employees and leaders to learn, develop and grow
- implement improved staffing process to improve the candidate experience and remain competitive in the labour market
- negotiate collective agreements for those expired

## 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 project governance, support processes, behaviours and technologies. This also includes ensuring all areas of the business are cost-sustainable through continuous improvement.

### 2025/26 Initiatives

- implement sustainable cost optimization savings and process efficiencies to achieve targeted savings and other benefits
- prepare for and begin to implement digital enhancements through the Enterprise Resource Planning modernization which will result in productivity and other efficiency savings
- implement a new asset investment planning and management capability to maximize the value of investments while minimizing risk
- develop a Sustainability Framework to measure the impact of our operations on society, the environment and the economy
- advance the Corporation's analytics capabilities to improve the employee and customer experience, increase productivity and reduce costs

## KEY PERFORMANCE INDICATORS

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 2025/26, NB Power will measure and report performance against the following key performance indicators on a quarterly basis.

Key Performance Indicators	2025/26 Target
Total Recordable Injury Frequency Rate	0.98
Customer Satisfaction Index	≥659
Net Earnings (\$ millions)	14.3
Net Capital Expenditures (\$ millions)	774
Change in Net Debt (\$ millions)	336
Cost Optimization Savings (\$ millions)	27.5
System Average Interruption Duration Index (SAIDI)	5.45
System Average Interruption Frequency Index (SAIFI)	2.00
Nuclear Net Capacity Factor (%)	57.3
Mass Deployment of Advanced Metering Infrastructure (AMI) (%)	100
Per cent Renewables (Renewable Portfolio) (%)	40
Electricity Savings from Energy Efficiency Programs (MWh)	87,400
Employee Engagement Score (%)	70
Engaged Website Visits	≥5 million with bounce rate below 25%

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 2025/26, NB Power will measure and report performance against the following financial targets on a quarterly basis.

Financial Highlights (\$ millions)	2025/26 Budget
(1) In-province revenue	2,018
(2) Out-of-province revenue	712
(3) Fuel & purchased power expense	1,401
(4) Gross margin (row 1+2-3)	1,330
(5) Miscellaneous revenue	105
(6) Operation, maintenance & administration	662
(7) Depreciation and amortization	431
(8) Taxes	49
(9) Operating earnings (Row 4 + 5 - 6 - 7 - 8)	294
(10) Finance costs	(329)
(11) Sinking funds and other investment income	21
(12) Mark-to-market of fair value through profit and loss investments	50
(13) Net earnings before adjustments in regulatory balances (row 9 + 10 +11+12)	36
(14) Net changes in regulatory balances	(22)
(15) Net earnings (loss) (row 13 + 14)	14
(16) Capital & thermal decommissioning expenditures (net)	774
(17) Net debt	6,189
(18) Change in net debt	336
(19) % Debt in capital structure	94%

*\*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 Index	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 2022-24)
System Average Interruption Frequency Index (SAIFI)	Average Number of Interruptions in power (based on three-year average 2022-24)
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
Mass Deployment of Advanced Metering Infrastructure (AMI) (%)	The percentage of meters installed as per mass deployment plan. Target or actual values do not include opt outs by customers.
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
Employee Engagement Score	The Employee Engagement metric/result achieved in NB Power's annual Employee Experience survey.
Engaged Website Visits	An engaged visit is a visit lasting 10+ seconds, triggering a conversion, or viewing multiple pages.



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