

The New Brunswick Energy Blueprint

New Brunswick
Department of Energy
October 2011



New Brunswick
Nouveau
Brunswick
CANADA

Background to the Blueprint

- Fall 2010 - Appointment of Energy Commission
- Winter 2011 - Extensive Public Consultations
- Spring 2011 - Energy Commission Final Report
- Summer 2011 - Review and analysis of Report
- Fall 2011 - New Brunswick Energy Blueprint

*A **10 year energy vision** and **3 year action plan**
based on **5 key objectives**.*

Five Key Objectives

- Low and Stable Energy Prices
- Energy Security
- Reliability of the Electrical System
- Environmental Responsibility
- Effective Regulation

For each Objective, the Blueprint considers:

- Why it is important to New Brunswick.
- Current progress.
- A vision for the future.
- The specific energy-related action items required to achieve each Objective.

Energy Action Plan - Electricity

1. Amalgamate NB Power Group of Companies into a single vertically integrated Crown utility.
2. Review electricity market policies and implement structural and operational changes.
3. Direct NBP to implement cost reductions and savings will be held by utility to build equity and pay down debt *
4. All of NBP to be subject to regulatory oversight and all rate changes will have to be justified post rate freeze.
5. Pursue regional electricity agreements.
6. Update Smart Grid Roadmap and expand network.
7. Implement a Large Industrial Renewable Energy Purchase Program.

Current 10 Year Forecast - NB Power

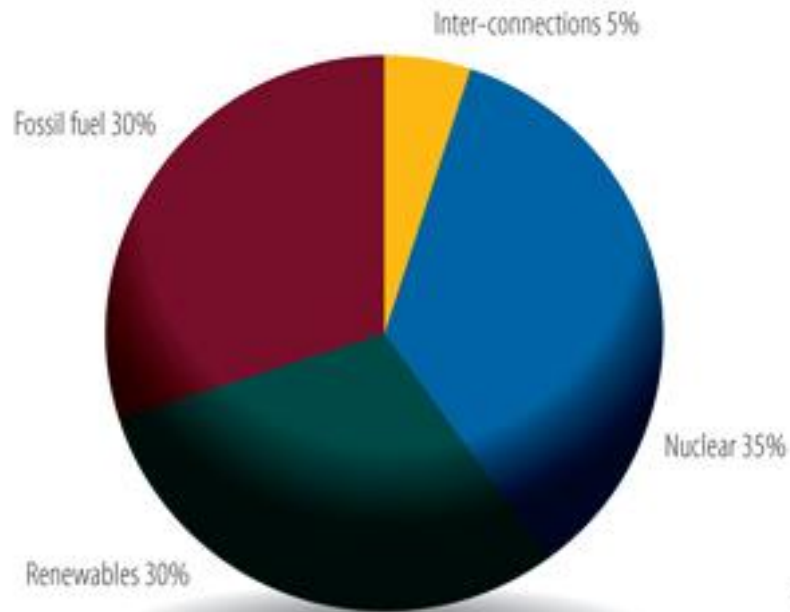
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Rate Change	0%	0%	2%	2%	2%	2%	2%	2%	2%	2%
Debt (\$M)	\$ 4,969	\$ 5,026	\$ 4,905	\$ 4,944	\$ 4,974	\$ 4,925	\$ 4,714	\$ 4,513	\$ 4,220	\$ 4,133
Equity (\$M)	\$ 125	\$ 271	\$ 364	\$ 411	\$ 547	\$ 596	\$ 723	\$ 793	\$ 966	\$ 1,067
Ratio	98%	95%	93%	92%	90%	89%	87%	85%	81%	79%

Energy Action Plan – Renewables and Climate Change

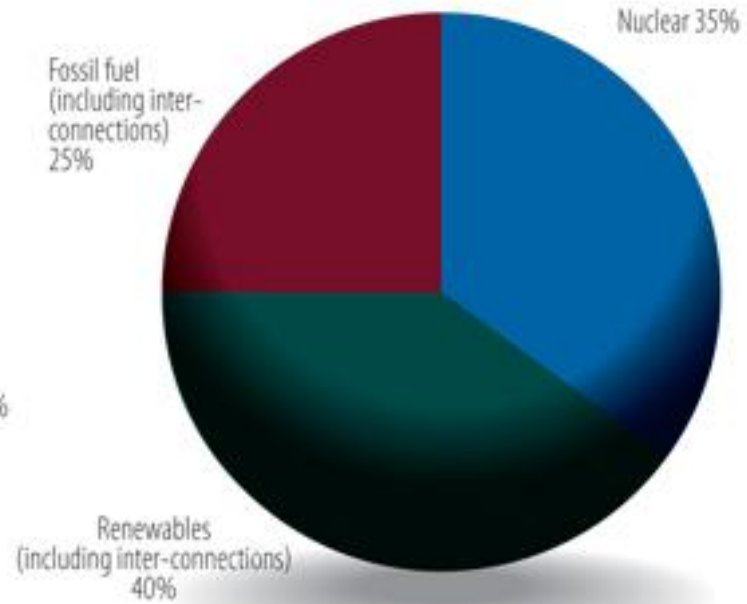
1. Increase Renewable Portfolio Standard to 40% of NB Power's total sales by 2020 with priority on Demand Side Management *
2. Develop Renewable Energy Resources:
 - *Support local and First Nations small-scale renewable projects.*
 - *Improve integration of wind generation.*
 - *Develop solar, bio-energy and other emerging renewable energy technologies.*
3. Optimize energy output from biomass resources, with specific focus on pellets.
4. Develop key energy components for the 2012-2020 Climate Change Action Plan.

NB Electricity Supply by Source

2013



2020



Source: NB Power

Energy Action Plan - Efficiency

1. Require electric utilities, in conjunction with Efficiency NB, to prepare a 3-year electricity efficiency plan.
2. Amend the *New Brunswick Building Code Act* to require minimum energy efficiency standards for new building construction.
3. Upgrade the list of regulated appliances and equipment under the *Energy Efficiency Act*.

Energy Action Plan – Natural Gas and Petroleum Products

1. Review the natural gas rate structure and distribution network to achieve a more traditional cost-based rate structure.
2. Review the *Petroleum Product Pricing Act* and Regulations.

Energy Action Plan - Regulatory

1. Restructure the EUB to consist of exclusively full time members.
2. Establish Office of the Public Energy Advocate, and appoint full time Public Energy Advocate.

Energy Action Plan – Education, Research and Development

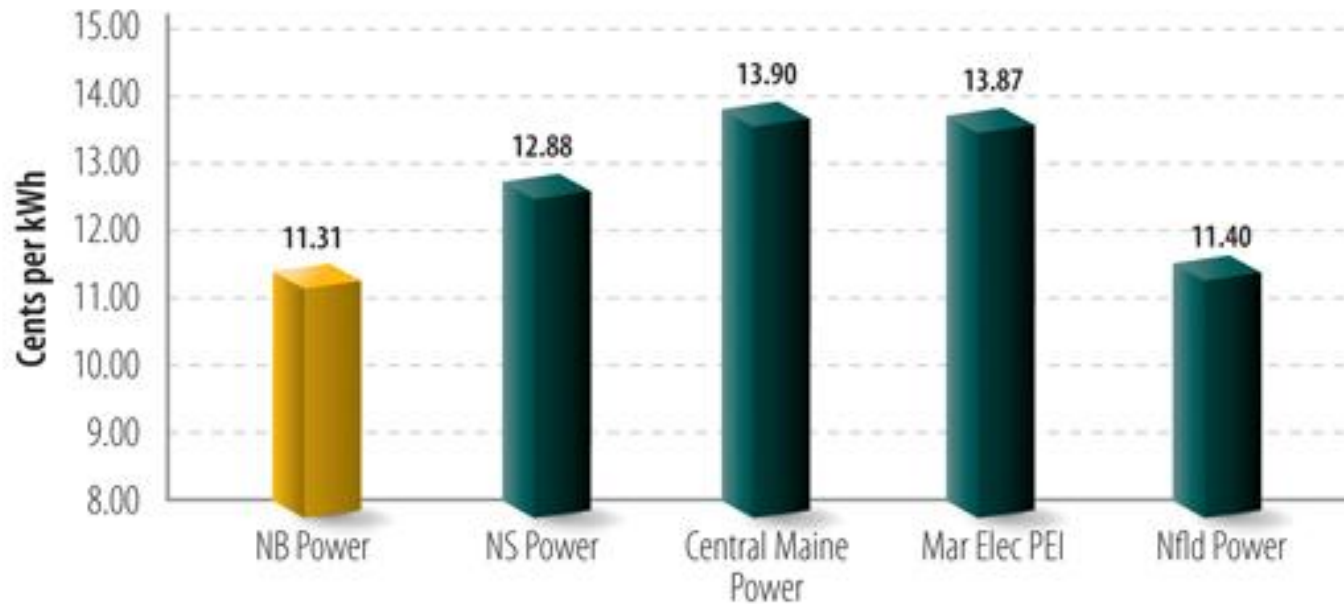
1. Develop an energy sector workforce development strategy:
 - *Pilot an energy certificate program.*
 - *Implement an energy literacy, education and awareness program.*
2. Develop and implement a New Brunswick energy sector research and development strategy supporting the adoption of emerging clean energy technologies.

What it means for New Brunswickers

- 3 year electricity rate freeze continues and rate stability for rest of the decade *
- A leaner, more efficient Crown electrical utility owned by New Brunswickers
- A focus on paying down debt and building equity for the long run financial health of the utility.
- More transparency & more oversight of the utility by a strengthened EUB & a new Energy Advocate
- More electricity supplied by renewable generation

Residential Rate Comparison 2011

Average rate calculated at 1350 kWh per month



\$1 CDN = \$1.01 US (Sept 14 2011)

Sources: NB Power and utilities

What it means for New Brunswickers

- Additional programming to pursue energy efficiency through Efficiency NB and NB Power
- A review of the natural gas distribution model in pursuit of lower rates and improved access
- A reduction in green house gas emissions
- More emphasis on energy literacy

The New Brunswick Energy Blueprint

- The Blueprint is both a long-term vision and three year action plan to work towards the objectives that were identified through the public consultation process of the New Brunswick Energy Commission.
- The Blueprint is our government's guide for shaping our province's energy future - a future based on low and stable energy prices, energy security, reliability of the electrical system, environmental responsibility and effective regulation.

A 10 year energy vision and 3 year action plan based on 5 key objectives.