

To: Chair and Board Members of NB Power

July 26, 2022

RE: Request to participate the strategic review of NB Power by PwC Canada

Dear Chair and Board members,

My name is Chris Rouse with New Clear Free Solutions and I was very pleased to learn of the NB Power corporate transformation. I'm writing to formally request a meeting with the PwC Canada team working on the NB Power strategic review.

I am the founder of New Clear Free Solutions, a volunteer and solutions based environmental group in New Brunswick that has been very active over the last decade. Alongside my 25-year successful career in industrial systems engineering, I founded New Clear Free Solutions to apply my extensive economic and technical background to provide sustainable solutions for the province of New Brunswick. My volunteer work includes intervening in three of the last four NB Power rate hearings as well as the last three NB Power CNSC licencing hearings.

A significant part of this work over the last decade has been developing an alternative Integrated Resource Plan for NB Power that directly addresses two priorities for the strategic review: the need to immediately optimize the cost structure of NB Power and the transition to renewable energy. An early version of my IRP was attached as an appendix to NB Power's 2017 IRP.

This alternative IRP is the transformational change that the board and New Brunswickers are looking for. Some key elements of this alternative IRP are as follows.

- Achieves a 95% renewable energy mix by 2040 or sooner
- Maintains low and stable rates
- Achieves NB Power equity targets in the near term, and pays down NB Power debt and makes NB Power very profitable in the longer term
- Creates significant economic activity and Jobs

My alternative IRP has been extensively reviewed from outside and from within NB Power.

NB Power System Planning Engineer Darren Clark: "We reviewed Mr. Rouse's model and functionally I believe the majority of what he is setting out to do, the model is accomplishing."

As well, the compounding economic theory has been reviewed by UNBSJ Economics Professor Rob Moir who stated: "The concept of reinvesting in environmentally-friendlier energy

production and energy efficiency to create a compound interest effect is founded economic theory. As such this policy should be considered by all provinces and not only New Brunswick.”

In addition to these reviews, the results of my analysis are almost identical to the 2021 National Renewable Energy Laboratories (NREL) study, [“The North American Renewable Integration Study: A Canadian Perspective”](#) as well as the 2016 [Pan Canadian Wind Integration Study](#) by GE Electric Consulting for the Canadian Wind Energy Association. Both of these high-quality studies demonstrate that what I am proposing is technically and economically feasible.

In 2018, my work won the 2018 Gaia award from the New Brunswick Environmental Network which stated: “For his solutions-based environmentalism that has led to improvements in laws and regulations and, most recently, to detailed technical and economic modeling aimed at transitioning New Brunswick to a low-carbon economy.”

This plan has direct support from many New Brunswickers who sent letters to the EUB after a series of presentations hosted by Council of Canadians Fredericton Chapter, Symboise/Festival Inspire (Moncton), and Coalition For Responsible Energy Development ([Webinar See Link](#)). In addition to direct support, indirect support is evident from surveys by NB Power as well as the Conservation Council of New Brunswick showing that most New Brunswickers want renewable energy and low rates, which this plan delivers.

NB Power can address its financial and environmental goals in two main ways. The first is substantial rate increases to fund the transformation. Given the importance of electricity in New Brunswick and the already significant inflationary cost in NB and worldwide this would not be a popular option.

The second option is an equity injection into NB Power to invest in renewables and efficiency from the province using the Climate Change Fund (revenues from the province's carbon tax). The *Climate Change Act* already allows this funding to go to NB Power if the government approves it. The government has been looking for ways to give the carbon tax revenue back to New Brunswickers; this option of giving the carbon tax to NB Power to reduce rate increases fits that bill.

Using the carbon tax revenue to make investments in renewables and efficiency not only enables NB Power to make its equity target without significant rate increases, but also reduces fuel and purchased power cost that will give NB Power more free cash flow to reinvest. This reinvestment will compound like compound interest and will exponentially transition the electricity grid to 95% renewable, achieve equity targets and make NB Power very profitable.

Every publicly available source on the cost of electricity shows that renewables are the least cost option. Renewables are not only the least cost option but also one of the greatest tools to fight inflation and stabilize cost from volatile markets in which we have little control over.

The board has a fiduciary responsibility to examine all credible solutions, and as such I respectfully request that I be able to present this alternative IRP to PwC Canada as part of their Strategic Review. I would also like to present this plan to the board of directors and answer any questions you may have.

This is a link to the latest version of my [modeling](#) as well as a link to the [power point](#) for the webinar referenced above.

This request for meetings has been endorsed by the Coalition for Responsible Energy Development ([CRED-NB](#)) that advocates for a nuclear-free renewable energy future. CRED-NB as with many New Brunswickers are interested to see a third-party review of how this plan for NB Power can support a sustainable energy future for all New Brunswickers.

Sincerely,

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