NB POWER

2026

Renewable Integration and Grid Security Project

Chapter 2

Volume I: Independent Information Report

AUDITOR GENERAL OF NEW BRUNSWICK
VÉRIFICATEUR GÉNÉRAL DU NOUVEAU-BRUNSWICK

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NB Power

RENEWABLE INTEGRATION AND GRID SECURITY PROJECT

Chapter 2 Highlights

Lack of comprehensive analysis in selecting combustion turbine technology	Agreement signed before regulatory approval and without a contingency plan in place	Lack of evidence to support assumptions made for ownership or partnership decision
Procurement advanced ahead of governance	NB Power exposed to financial and contractual risks	Normal governance framework not followed

OVERALL CONCLUSION:

NB Power advanced the Renewable Integration and Grid Security project through key decisions before supporting analysis, governance processes, and regulatory requirements were fully addressed. Critical choices were made without addressing significant risks.

As a result, NB Power assumed governance, financial, and long-term contractual risks. This approach increased exposure to cost and regulatory uncertainty and reduced assurance that risks to electricity customers were fully identified, assessed, and managed at key decision points.

Results at a Glance

RENEWABLE INTEGRATION AND GRID SECURITY PROJECT

NB Power committed to a long-term project before key risks were resolved

FINDINGS	
	Management recommends **400 MW** of power be acquired in four years
	**Analysis** of alternatives to combustion technology **completed after tolling agreement was signed**
	**No supplier quotes obtained** to support management's assumptions made to NB Power's board of directors
	Partnership model found to be up to **$700 million more expensive** than ownership
	Internal policy requirements for capital project **due diligence not followed** for a project exceeding $2.8 billion
	Indigenous equity **partnership not established** as required
	**Regulatory approval** for capital project **not obtained** in advance of tolling agreement signing
	**No contingency planning** should the Energy and Utilities Board deny or delay the project

Introduction

2.1 NB Power is a provincially owned Crown corporation responsible for generating, transmitting, and distributing electricity in New Brunswick. As such, its decisions regarding new generation resources have significant implications for system reliability, long-term planning and electricity costs for New Brunswickers.

2.2 This report examines NB Power's Renewable Integration and Grid Security (RIGS) project and the related 25-year tolling agreement (Agreement) executed with ProEnergy subsidiary RIGS Energy Atlantic Limited Partnership on July 2, 2025.

2.3 The RIGS project is a proposed initiative to add approximately 400 MW of dispatchable generation capacity using dual-fuel combustion turbines, with a targeted operation date of August 1, 2028 and costs expected to exceed $2.8 billion.

2.4 The central issue is not whether NB Power faced a legitimate need for additional generation capacity, but whether the resulting decisions were made in a sound sequence, with sufficient supporting analysis, appropriate governance and adequate understanding of the risks assumed.

WORK PERFORMED

2.5 This report is informational in nature and does not provide audit assurance. Our work included reviewing documentation supplied by NB Power to the New Brunswick Energy and Utilities Board (EUB) as well as internal documentation and conducting interviews with staff and executives.

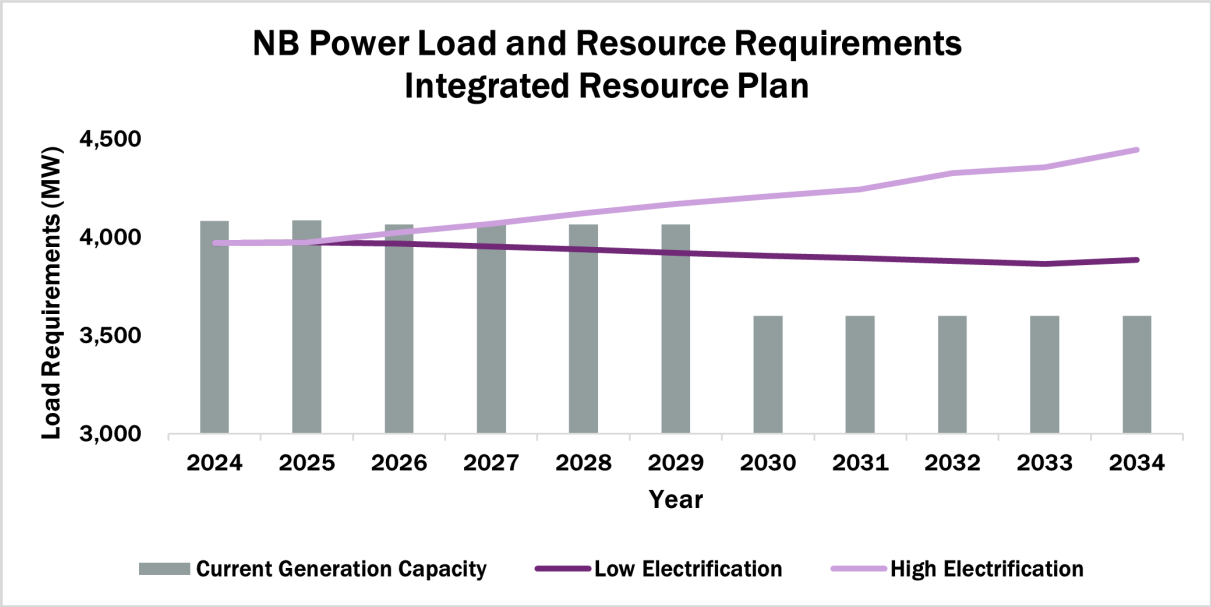
Identified Need for Additional Capacity

2.6 The starting point for the Renewable Integration and Grid Security (RIGS) project was NB Power's long-term system planning.

2.7 Long-term planning is primarily guided by the *Integrated Resource Plan* which establishes long-term electricity strategies, including projected demand, resource needs and guiding principles for future investment and regulatory decisions.

2.8 In the *Integrated Resource Plan*, published in July 2023, NB Power projected that the province would face future capacity shortfalls.

2.9 The timing of the shortfall depends on how quickly electricity demand grows. Under a low-electrification scenario, the shortfall was projected around 2030. Under a high-electrification scenario, the shortfall was projected as early as 2027.

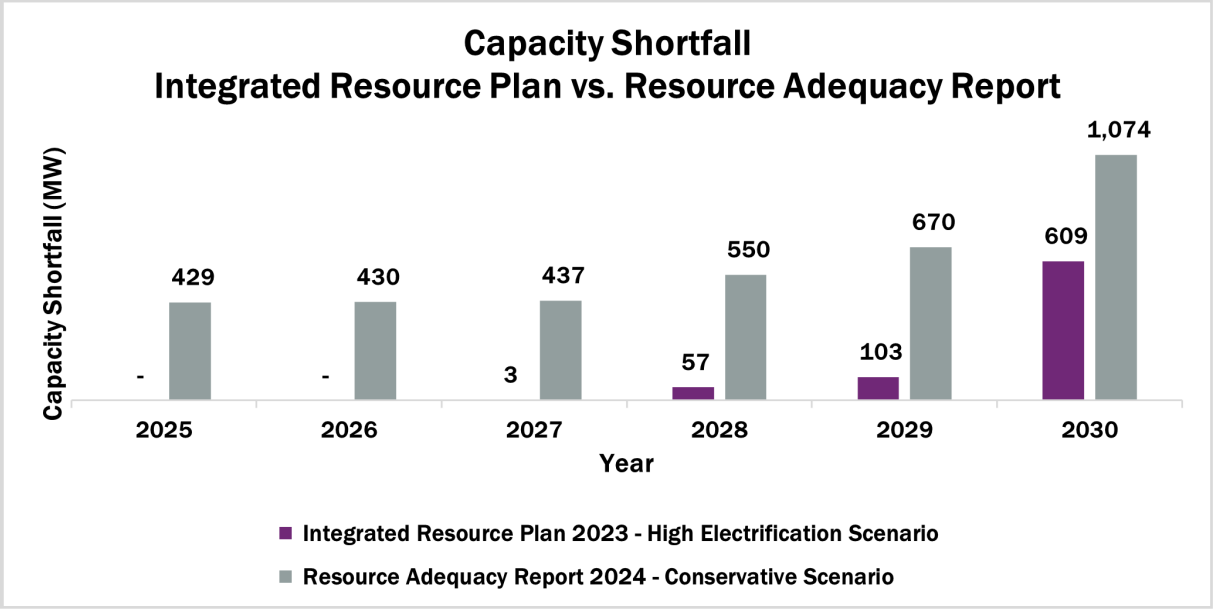


Source: Prepared by AGNB based on data from NB Power (unaudited)

2.10 Additionally, NB Power issued a *Resource Adequacy Report* on March 18, 2024, that focused on near-term operational needs and was used to identify potential capacity shortfalls and timing of when additional resources may be required.

2.11 NB Power's *Resource Adequacy Report* concluded that the need for additional supply could arise earlier than projected in the high electrification scenario of the *Integrated Resource Plan*.

2.12 Based on updated assumptions relating to population growth, electrification, and aging assets, the report indicated that a capacity gap could emerge as early as 2025 under the most conservative scenario.



Source: Prepared by AGNB based on data from NB Power (unaudited)

2.13 The report recommended that NB Power begin immediately to secure 400 MW of additional capacity by 2028 and begin development work for an additional 600 MW that could be needed by approximately 2030.

Early Definition of the Preferred Technology

2.14 Although the need for additional capacity was identified, our work raises concerns about the adequacy of analysis that informed the decision regarding the type of generation to be pursued.

2.15 NB Power's 2023 planning documents referred to a range of possible solutions, including:

- battery storage
- biomass conversion
- combined-cycle gas turbines
- dual-fuel combustion turbines
- demand response
- imports
- intermittent renewables (wind, solar)
- small modular reactors

2.16 While the planning documents identified potential solutions and costs, they did not include a comprehensive alternatives analysis that would show risks and benefits of each alternative technology in addressing the specific need for 400 MW of additional capacity by 2028. A capital project charter dated October 27, 2023, stated that dual-fuel combustion turbines were required and that other forms of generation were outside the project scope.

2.17 The capital project charter was approved by the Strategic Executive Oversight Committee (SEOC) on April 17, 2024.

2.18 A thorough analysis was later included in NB Power's October 2025 filing to the EUB. However, because that analysis was completed after the project direction had already been established and the Agreement signed, it does not demonstrate that alternatives were rigorously assessed before the decision to proceed with dual-fuel combustion turbines.

Development of the Delivery Model

2.19 Once NB Power moved toward a combustion-turbine solution, it had to determine how the project would be delivered.

2.20 A key decision was whether NB Power would own the facility directly or proceed through a partnership in which a third party would build, own, and operate the plant while NB Power supplied fuel and purchased all capacity and energy under a long-term contract.

2.21 In April 2024, NB Power completed a preliminary comparison of ownership and partnership models. Both ownership scenarios produced lower costs than the partnership scenario between $425-$700 million.

	($ Millions)		
	Partnership	Ownership (Low Operating Costs)	Ownership (High Operating Costs)
Net present value	$1,699	$1,478	$1,613
Average annual revenue requirement	$142	$114	$125
Estimated project cost (AGNB calculation based on annual revenue requirement over 25 years)	$3,550	$2,850	$3,125
Near-term rate impact	1.5%	2.0%	2.1%

2.22 Materials prepared for NB Power's board of directors (Board) in May 2024, included the cost analysis and indicated that NB Power was already moving toward a partnership structure with the general characteristics of a tolling agreement. Under this model, a third party would build, own, and operate the facility, and NB Power would pay for the electricity produced. Procurement steps consistent with that model then proceeded during 2024.

2.23 By November 2024, NB Power formally recommended to the Board that ownership not be pursued. The reasons cited included the long lead time for equipment, schedule risk, internal resource limitations, and competing capital projects.

2.24 However, we found no direct supplier quotes had been obtained to support the reported long lead time risk for ownership.

2.25 NB Power did not complete a documented assessment of its own organizational capacity to deliver the project under an ownership model.

2.26 The partnership approach became the preferred option in practice before the ownership-versus-partnership decision had been supported by evidence.

Procurement and Selection Process

2.27 Within six months, the capital project charter was approved and the preferred proponent was recommended.

2.28 NB Power issued a Request for Expressions of Interest (REOI) on June 24, 2024, and the REOI closed on August 9, 2024.

2.29 On October 3, 2024, the SEOC approved the preferred proponent and the negotiation strategy.

2.30 On November 12, 2024, the SEOC approved proceeding with the partnership model and the selected proponent. On November 19, 2024 the Board subsequently approved the same direction.

2.31 On May 28, 2025, the SEOC and the Financial Risk Oversight Committee (FROC) recommended execution of the Agreement, and NB Power executed the 25-year agreement with ProEnergy on July 2, 2025.

2.32 Several key elements were still evolving while procurement was underway. The analysis supporting the delivery model was incomplete, the governance framework for the project was not fully aligned with NB Power's standard capital approval processes, and regulatory uncertainty remained unresolved.

Governance and Oversight

2.33 NB Power treated the Agreement primarily as a supply arrangement rather than as a capital project undertaken by NB Power itself. As a result, the project did not proceed through the full Investment Governance Framework (IGF) in the way expected for a major capital commitment.

2.34 Our report considers this significant because the IGF applies to capital projects regardless of financing or structure, and the Agreement represented a 25-year long-term obligation with costs expected to exceed $2.8 billion.

2.35 While approximately $25 million of related enabling investments, including transmission upgrades, did proceed through established governance channels, the principal RIGS commitment did not.

2.36 Because the project was considered strategic, oversight was assigned to the SEOC, whose role includes monitoring strategy, schedule, risk, organizational capability, and communications to the Board.

2.37 Based on materials from the Board and committee meetings, we found limited documentation showing strong independent challenge of management's assumptions, alternatives, or recommendations before decisions were advanced.

2.38 The overall concern is that the project was managed outside the corporation's normal capital governance pathway, even though the substance of the commitment was comparable to a major capital project.

Regulatory Risk

2.39 NB Power executed the Agreement with ProEnergy on July 2, 2025. On July 23, 2025, a motion was filed with the EUB to determine if the project was capital in nature requiring approval under section 107 of the *Electricity Act.*

2.40 On October 16, 2025, the EUB determined that the RIGS project was a capital project and that NB Power was required to obtain EUB approval before proceeding. This meant that NB Power had already entered into a long-term agreement without regulatory approval.

2.41 Without the EUB's approval to proceed prior to the targeted commercial operation date of August 1, 2028, the Agreement would require NB Power to compensate ProEnergy for early construction costs of up to USD $55.1 million.

Financial and Contractual Risk

2.42 Financial and contractual risks of the Agreement include possible requirements for NB Power to:

- post substantial security or performance assurance
- make full monthly capacity payments even when the facility cannot generate electricity for reasons outside NB Power's control
- pay for fuel whether or not it is consumed
- pay disputed amounts before the resolution of disputes
- absorb substantial termination and cost-escalation risks
- bear construction schedule risks associated with delays in the delivery of equipment without financial remedy

2.43 These provisions mean that although the project is structured as a partnership, NB Power may still bear many of the economic risks normally associated with ownership, while not retaining the same degree of direct control over the asset.

2.44 To mitigate construction phase risk, the Agreement required performance assurance from ProEnergy in the amount of USD $46 million due within 30 days of Agreement signing. However:

- The performance assurance payment was due on August 1, 2025, but was not paid to NB Power.
- An amendment to the Agreement was subsequently approved and dated December 31, 2025 to reduce the immediate security requirement to USD $10 million, with the full USD $46 million becoming payable only upon satisfaction of specified conditions. As a result, NB Power's contractual leverage to enforce ProEnergy's compliance with construction milestones and the agreed upon schedule was significantly weakened.

Indigenous Partnership Risks

2.45 The Agreement requires ProEnergy to establish a partnership and consultation with Indigenous communities.

2.46 Materials submitted to the Board stated:

- ProEnergy had entered into an equity partnership with North Shore Mi'kmaq Tribal Council (November 18, 2024)
- North Shore Mi'kmaq Tribal Council will be an equity partner (June 18, 2025)

2.47 However, at the time of our work there had been no established Indigenous partnership.

2.48 The December 2025 amendment to the Agreement allows ProEnergy to withdraw from the project and recover pre-development costs if an Indigenous partnership is not finalized by mid-2026.

Environmental and End-of-Term Risks

2.49 Our report questions whether all risks in the Agreement were fully understood, assessed, or adequately challenged before execution.

2.50 Under the Agreement, NB Power is responsible for emissions-related costs, environmental and carbon tax exposure, and future compliance obligations.

2.51 NB Power had not documented a complete analysis of end-of-term options when the Agreement was signed. At the time of our review, this was still not completed.

2.52 Given the 25-year term of the Agreement, the absence of clear evidence on end-of-term planning is a governance concern.

Monitoring and Contingency Planning

2.53 Because the Agreement extends over 25 years, strong monitoring and contingency planning are important. NB Power indicated that it maintains regular engagement with the proponent and that the Agreement provides for an Operating Committee during the delivery phase.

2.54 However, our review did not identify clearly documented long-term oversight expectations, including the committee's formal reporting requirements, accountability for review, and the intended use of the information.

2.55 At the time of our review, NB Power did not identify a contingency plan addressing scenarios such as delayed or denied EUB approval, supply disruption, or renegotiation risk.

2.56 Our work concludes that key elements of long-term oversight and contingency planning were not fully documented at the time of our review.

Conclusion

2.57 Our review indicates that key decisions including the selection of the preferred technology were made before the supporting analysis had been fully completed.

2.58 The partnership model appears to have gained momentum before the ownership-versus-partnership decision was fully supported.

2.59 Procurement advanced while key governance questions remained unsettled.

2.60 NB Power executed the 25-year Agreement before receiving regulatory approval from the EUB.

2.61 This sequence of key decisions increased governance, financial, and regulatory risk. The overall implication is that an identified system need was addressed through a decision-making process that did not proceed in the clearest or most disciplined order.

Appendix I:
Letter from NB Power

Office of the President and Chief Executive Officer
Bureau de la présidente-directrice générale

April 17, 2026

Paul Martin, FCPA, FCA
Auditor General
P.O. Box 758
Fredericton, NB E3B 5B4

Dear Mr. Martin:

NB Power recognizes the important role of the Office of the Auditor General in supporting accountability and transparency for the Legislative Assembly. We also acknowledge that the report entitled Renewable Integration and Grid Security (RIGS) Project has been prepared as an independent information report and that it does not constitute an audit or express an audit opinion.

As part of your process, NB Power has worked with your Office to confirm the factual accuracy of the information contained in the report. In that context, NB Power wishes to note the distinction between confirming the accuracy of factual information and agreement with the framing, emphasis or conclusions reflected in the report.

The purpose of this letter is to place on the record several contextual considerations that NB Power considers material to an overall understanding of the decisions examined. This correspondence is not intended to restate or duplicate regulatory filings, nor to comment on matters that are before or have been decided by, the New Brunswick Energy and Utilities Board. Rather, it is intended to outline the context, analytical foundation and risk considerations that informed management and Board of Directors decisions at the time they were made.

Context: Urgency and System Reliability Risk

The report notes that the legitimacy of the need for additional generation capacity is not central to its conclusions. NB Power considers this context important to understanding the timing, sequencing and nature of the decisions taken.

By early 2024, NB Power faced a materially accelerated risk of winter peak shortfall driven by higher-than-forecast demand growth, increased electrification, exposure to extreme cold-weather events and declining availability of certain existing assets. These risks were not abstract. During the February 2023 extreme cold-weather event, New Brunswick experienced record winter peak demand and operated close to the threshold at which customer outages could have occurred. Absent timely action, NB Power faced a credible risk of customer outages during extreme winter peak conditions, at a time when electricity service is most critical for public safety and economic activity.

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At the same time, markets for new dispatchable generation capacity across North America were highly constrained, with long equipment lead times and limited supplier availability. In this environment, delayed action created the risk of service interruptions during periods when electricity is most critical for public safety and economic activity. I personally have had conversation with CEOs of neighboring utilities who are envious of our foresight in procuring this arrangement including its favourable terms and pricing.

Assessment of Generation Alternatives

The report states that combustion turbine technology was selected before alternatives were rigorously assessed. NB Power's perspective differs in certain respects regarding this characterization.

At the time the preferred technology direction was established in early 2024, NB Power was relying on extensive prior analysis, including the 2023 Integrated Resource Plan and associated external studies. These materials evaluated a wide range of supply- and demand-side options across multiple scenarios and planning horizons. The analyses consistently identified the need for dispatchable capacity capable of performing reliably during peak winter conditions.

NB Power also drew on expert analysis regarding the effective contribution of alternative technologies under system-critical conditions. That work indicated that intermittent renewable resources and battery storage provide materially less effective capacity during extreme cold-weather events and would require significantly greater investment to achieve an equivalent level of reliability.

More detailed, project-specific alternatives analysis was later formalized through regulatory processes. This work documented and refined conclusions that were already understood by management and the Board of Directors when key decisions were taken.

Delivery Model and Risk Allocation

The report places significant emphasis on the conclusion that a partnership model is more costly than ownership and that NB Power assumed ownership-like risks without commensurate control. From NB Power's perspective, this analysis does not fully reflect the specific risk allocation embedded in the tolling arrangement used for the RIGS project. Key risks often associated with ownership, such as construction cost escalation, performance, availability and decommissioning, were materially allocated to the proponent under the tolling structure.

Under that arrangement, substantial construction, schedule, performance, availability and decommissioning risks are borne by the project owner. Capacity payments are subject to availability guarantees. Construction cost escalation risk for major equipment rests with the proponent and NB Power's payment obligations are reduced or excused in defined circumstances.

Comparisons that focus primarily on nominal or undiscounted costs may overstate differences between delivery models. When evaluated on a net present value basis, the differential is materially reduced and should be considered alongside differences in schedule certainty, execution risk and internal delivery capacity.

In addition, being a project owner was not a viable least cost solution in the time frame of the requirement for additional capacity as the critical components could not be procured by NB Power.

Regulatory Considerations

NB Power takes a different view regarding the characterization that it committed to contractual arrangements before regulatory considerations were addressed.

NB Power sought a formal jurisdictional determination from the New Brunswick Energy and Utilities Board prior to the agreement becoming binding, and the agreement was expressly structured so that it could not proceed absent regulatory resolution.

Governance and Process Considerations

The report characterizes certain elements of project governance as departures from standard practice. NB Power acknowledges that the RIGS project required adaptations to conventional processes, driven by urgency, scale and system-wide reliability risk.

Oversight was provided through senior executive governance committees and the Board of Directors at multiple decision points. Not every element of NB Power's capital investment framework was applied in its customary form. These adaptations reflected judgment exercised in response to exceptional system conditions.

Closing

NB Power recognizes that complex infrastructure decisions made under time pressure and heightened system risk can reasonably give rise to differing perspectives. Our intent in providing this letter is to ensure that the record reflects the context, analytical foundation and risk management considerations that informed the development of the RIGS project. Please trust that at all times these discussion were made with the best interest of our customers in mind.

These observations are provided for the purpose of placing NB Power's perspective on the record.

Yours sincerely,

Lori Clark
President & CEO NB Power

Appendix II: Response to Letter from NB Power (Appendix I)

NB Power's correspondence in response to the Renewable Integration and Grid Security Project (RIGS) report is reproduced in full in Appendix I. We have not inserted our comments into their letter so that it may be read as submitted. We considered additional clarification necessary and are providing our comments separately below with reference to the relevant paragraphs in the report.

CONTEXT: URGENCY AND SYSTEM RELIABILITY RISK

The central issue is not whether NB Power faced a legitimate need for additional generation capacity, but whether the resulting decisions were made in a sound sequence, with sufficient supporting analysis, appropriate governance and adequate understanding of the risks assumed. (paragraph 2.4)

Our work included reviewing documentation supplied by NB Power to the Energy and Utilities Board (EUB) as well as internal documentation and conducting interviews with staff and executives. (paragraph 2.5)

We found no direct supplier quotes had been obtained to support the reported long lead time risk for ownership. (paragraph 2.24)

NB Power did not complete a documented assessment of its own organizational capacity to deliver the project under an ownership model. (paragraph 2.25)

The partnership approach became the preferred option in practice before the ownership-versus -partnership decision had been fully supported by evidence. (paragraph 2.26)

ASSESSMENT OF GENERATION ALTERNATIVES

While the planning documents identified potential solutions and costs, they did not include a comprehensive alternatives analysis that would show risks and benefits of each alternative technology in addressing the specific need for 400 MW of additional capacity by 2028. A capital project charter dated October 27, 2023, stated that dual-fuel combustion turbines were required and that other forms of generation were outside the project scope. (paragraph 2.16)

The capital project charter was approved by the Strategic Executive Oversight Committee (SEOC) on April 17, 2024. (paragraph 2.17)

A thorough analysis was later included in NB Power's October 2025 filing to the EUB. However, because that analysis was completed after the project direction had already been established and the Agreement signed, it does not demonstrate that alternatives were rigorously assessed before the decision to proceed with dual-fuel combustion turbines. (paragraph 2.18)

DELIVERY MODEL AND RISK ALLOCATION

In April 2024, NB Power completed a preliminary comparison of ownership and partnership models. Both ownership scenarios produced lower costs than the partnership scenario between $425 – $700 million.

- Net present value (Millions) difference $86-$221
- Estimated project cost (Millions) difference $425-$700 (AGNB calculation based on annual revenue requirement over 25 years) (paragraph 2.21)

Financial and contractual risks of the Agreement include possible requirements for NB Power to:

- post substantial security or performance assurance
- make full monthly capacity payments even when the facility cannot generate electricity for reasons outside NB Power's control
- pay for fuel whether or not it is consumed
- pay disputed amounts before the resolution of disputes
- absorb substantial termination and cost-escalation risks
- bear construction schedule risks associated with delays in the delivery of equipment without financial remedy (paragraph 2.42)

These provisions mean that although the project is structured as a partnership, NB Power may still bear many of the economic risks normally associated with ownership, while not retaining the same degree of direct control over the asset. (paragraph 2.43)

To mitigate construction phase risk, the Agreement required performance assurance from ProEnergy in the amount of USD $46 million due within 30 days of Agreement signing. However:

- The performance assurance payment was due on August 1, 2025, but was not paid to NB Power.
- An amendment to the Agreement was subsequently approved and dated December 31, 2025 to reduce the immediate security requirement to USD $10 million, with the full USD $46 million becoming payable only upon satisfaction of specified conditions. As a result, NB Power's contractual leverage to enforce ProEnergy's compliance with construction milestones and the agreed upon schedule was significantly weakened. (paragraph 2.44)

REGULATORY CONSIDERATIONS

NB Power executed the Agreement with ProEnergy on July 2, 2025. On July 23, 2025, a motion was filed with the EUB to determine if the project was capital in nature requiring approval under section 107 of the *Electricity Act.* (paragraph 2.39)

On October 16, 2025, the EUB determined that the RIGS project was a capital project and that NB Power was required to obtain EUB approval before proceeding. This meant that NB Power had already entered into a long-term agreement without regulatory approval. (paragraph 2.40)

Without the EUB's approval to proceed prior to the targeted commercial operation date of August 1, 2028, the Agreement would require NB Power to compensate ProEnergy for early construction costs of up to USD $55.1 million. (paragraph 2.41)

GOVERNANCE AND PROCESS CONSIDERATIONS

NB Power treated the Agreement primarily as a supply arrangement rather than as a capital project undertaken by NB Power itself. As a result, the project did not proceed through the full Investment Governance Framework (IGF) in the way expected for a major capital commitment. (paragraph 2.33)

Based on materials from Board and committee meetings, we found limited documentation showing strong independent challenge of management's assumptions, alternatives, or recommendations before decisions were advanced. (paragraph 2.37)

The overall concern is that the project was managed outside the corporation's normal capital governance pathway, even though the substance of the commitment was comparable to a major capital project. (paragraph 2.38)

CLOSING

NB Power advanced the Renewable Integration and Grid Security project (RIGS) through key decisions before supporting analysis, governance processes, and regulatory requirements were fully addressed. Critical choices were made without addressing significant risks.

As a result, NB Power assumed governance, financial, and long-term contractual risks. This approach increased exposure to cost and regulatory uncertainty and reduced assurance that risks to electricity customers were fully identified, assessed, and managed at key decision points. (Overall Conclusion)

Our responsibility was to provide objective information, to assist the Legislative Assembly in its scrutiny of NB Power with respect to this initiative. To ensure this report is credible, we obtained confirmation that the information to be reported is accurate from NB Power. (Appendix IV)

Appendix III: Summary Timeline

- July 2023 – NB Power identified future electricity capacity shortfalls through long-term system planning and published the *Integrated Resource Plan*.
- October 2023 – Preferred technology (dual-fuel combustion turbines) identified in the project charter before the completion of a comprehensive alternatives analysis.
- March 18, 2024 – The *Resource Adequacy Report* recommended that 400 MW of generation capacity be secured by 2028.
- April–May 2024 – Executives approved the project charter and partnership model. The ownership analysis indicated a lower cost than the partnership option.
- June–November 2024 – Procurement advanced. Executives and the Board approve ProEnergy as the preferred partner and do not pursue ownership.
- July 2, 2025 – NB Power executed a 25-year tolling agreement with ProEnergy prior to regulatory approval.
- October 16, 2025 – The Energy and Utilities Board determined the project is a capital project requiring prior approval.
- December 31, 2025 – Amendments to the Agreement are signed, reducing performance security. The Indigenous partnership remains unresolved.
- August 1, 2028 (target) – Planned in-service date for approximately 400 MW of dispatchable generation capacity.

Appendix IV: Independent Information Report

This independent information report was prepared by the Office of the Auditor General of New Brunswick on NB Power's Renewable Integration and Grid Security project. This report is not an audit and does not express an audit opinion. Our responsibility was to provide objective information, to assist the Legislative Assembly in its scrutiny of NB Power with respect to this initiative. To ensure this report is credible, we obtained confirmation that the information to be reported is accurate from NB Power.

This report is conducted under the authority of the *Auditor General Act*. The Office of the Auditor General of New Brunswick applies the Canadian Standard on Quality Management 1 – Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting our work, we have complied with the independence and other ethical requirements of the Rules of Professional Conduct of Chartered Professional Accountants of New Brunswick and the Code of Professional Conduct of the Office of the Auditor General of New Brunswick. Both the Rules of Professional Conduct and the Code are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

DATE OF THE REPORT

We concluded our work on NB Power and its Renewables Integration and Grid Security project on May 11, 2026, in Fredericton, New Brunswick.