



ECONOMIC DEVELOPMENT

GREATER SAINT JOHN

March 9, 2020

We hear a lot these days about industry disruption, transition and a need for innovation. Depending on one's point of view these terms can be daunting or exciting. The reality is all industries change and change is, and always has been, constant. Change is how we evolve as a society, how economies adapt and how discovery and progress is made.

Change is certainly evident in the energy sector. The traditional forms of energy creation and distribution (at least the way it has been for many decades) is about to change quite dramatically on a global scale. There is a growing demand for decreasing our requirements on large carbon producing energy sources to renewables. This is driven both from the standpoint of a need to be less dependent on sources that may ultimately run out, reduce dependency on unstable sources, and the need to reduce further damage to our environment.

Greater Saint John is fortunate to have many key assets within the important energy sector which include Canaport LNG, the Irving Refinery, Coleson Cove, and the Point Lepreau Nuclear Reactor. Two companies, ARC Canada and Moltex Energy, are leading the way in research and development of Small Modular Reactors. This, combined with proposed new developments in Wind and Solar Energy, could lead to significant economic growth opportunities for the region. In fact, Saint John has the second largest number of people employed in the energy sector (by population) in Canada.

The City of Saint John is somewhat unique in the Province of New Brunswick in that we have our own utility, Saint John Energy (SJE). SJE has provided Saint John with a solid, reliable, and effective energy solution for many decades. It is a regional asset that has shown a year over year fiscal improvement, and on average Saint Johners pay 10% less in energy costs compared to the Province as a whole.

To retain those advantages, SJE has come up with a growth strategy built on three themes: renewable energy, smart energy services, and strategic partnerships. They want to build a hub of innovation here in Saint John by working with companies to provide wind and solar opportunities, and to work with our post secondary institutions, UNB and NBCC, to forge new energy solutions for the future. A few of the companies that SJE are and will be working with to achieve this are, Natural Forces (wind farm development), Tesla, and CaSA (Connected adhoc Smart Appliances) Energy.

Change is constant, and we call it by many names that tend to over complicate it. SJE is trying to change at a point in time where they can best control and manage change. IE: Change or be changed! The world is not going stop and allow us the luxury to wait and see and decide if we want to change. It will increasingly find ways to better and more efficiently produce and distribute power. SJE should be applauded for wanting to be ahead of the curve. To create the change that keeps us relevant and progressing. Change and innovation need to be a constant theme in all of our key sectors.

Saint John Energy currently has the fiscal management, size, agility and the desire to innovate (change) so that it continues its legacy of a well-run and effective utility. SJE must ensure proper risk management processes are in place and adhered to so any future actions or investments do not negatively affect its customers in Saint John.

In order to build on the strong history of Saint John Energy and become a beta site for new energy innovation, transition, and best practise implementation, changes to our provincial regulations are required. These changes would allow Saint John Energy to operate like the 90 or so municipal utilities within Canada of which 90 percent have corporate structures that fuel growth and provide dividends.

It may mean changes are required in how we view our local utility. End of day, change is inevitable, we can decide to be changed by others or we can choose to be that change.

Sincerely,



Andrew Oland
Chair, Economic Development
Greater Saint John



Ron Gaudet
Chief Executive Officer, Economic
Development Greater Saint John

