



Second Quarter 2022  
Investor Briefing

August 2022

ONTARIO **POWER**  
GENERATION

Where a brighter  
tomorrow begins.

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This presentation also contains references to certain financial measures (non-GAAP measures) that do not have any standardized meaning prescribed by United States generally accepted accounting principles ("US GAAP") and, therefore, may not be comparable to similar measures presented by other issuers. The Company believes that these measures are important since they provide additional information about OPG's performance, facilitate comparison of results over different periods, and present measures consistent with the Company's strategies to provide value to the Province of Ontario as its sole shareholder, improve cost performance, and ensure availability of cost effective funding. These non-GAAP financial measures have not been presented as an alternative to net income, or any other measure in accordance with US GAAP, but as indicators of operating performance. The definitions and calculations of Earnings before interest and income taxes are found in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures* of the Company's annual Management's Discussion and Analysis, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.opg.com](http://www.opg.com).

# Agenda

Highlights

Energy Industry Leader

1 | Financial and Operating Performance

2 | Darlington Refurbishment

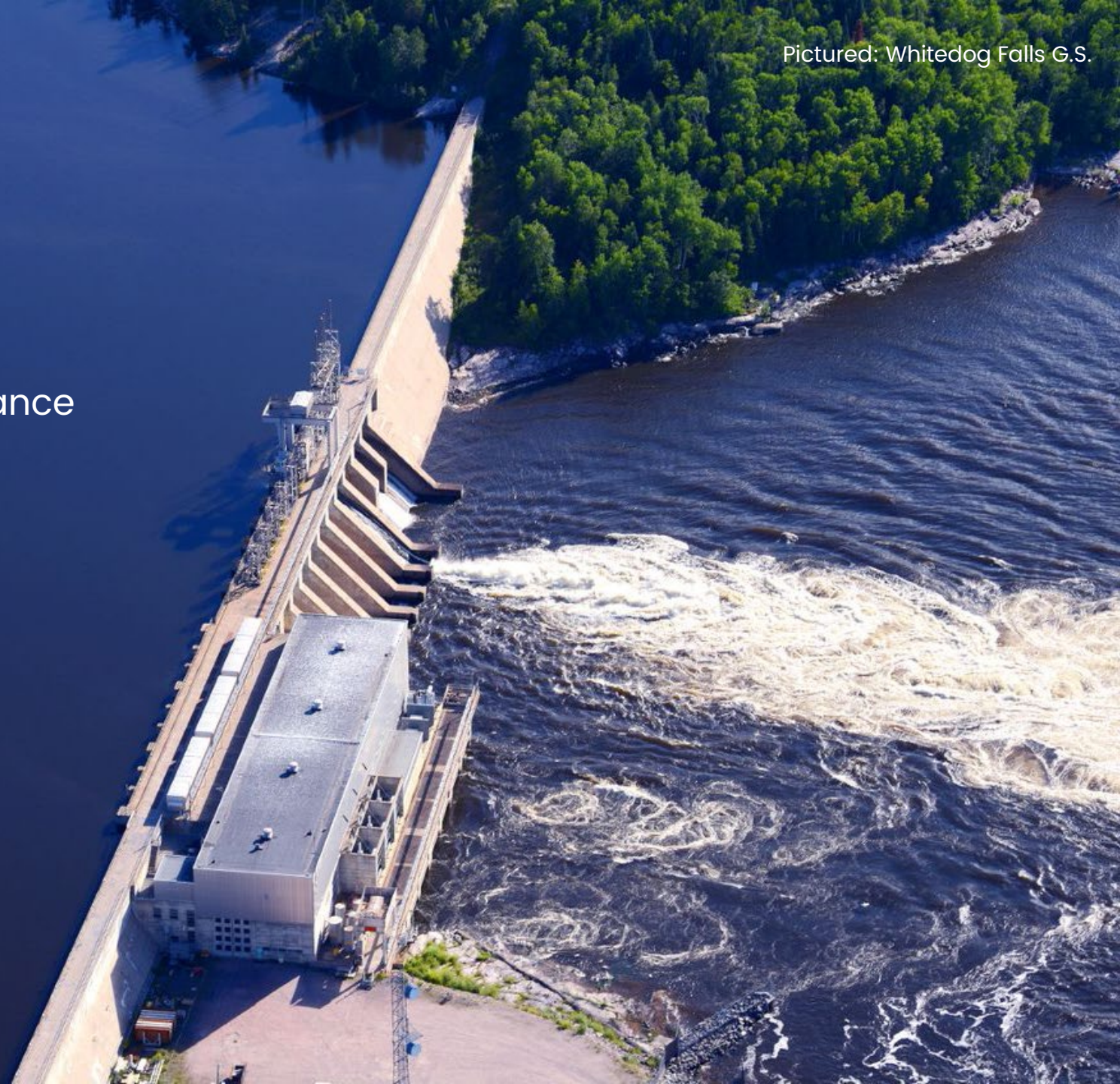
3 | Project Excellence

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Certain photographs in this presentation were taken prior to the COVID-19 pandemic



# Highlights

*Darlington's Unit 3 refurbishment progresses **ahead of schedule**; OPG advances **climate change goals** through projects and partnerships.*

- Darlington's Unit 3 refurbishment is progressing **ahead of schedule** and is now expected to be returned to service in late 2023, earlier than originally planned for in Q1 2024.
- OPG continues to **build partnerships** to help achieve our **net-zero climate change goal by 2040**. In July 2022, OPG and X-energy announced an agreement to pursue opportunities to deploy Xe-100 SMR's for **industrial application in Canada**.
- In May 2022, OPG successfully completed the replacement of the **G2 unit** at the **Sir Adam Beck I GS**. The completion of the G2 unit marks the first full unit replacement to take place in the station's 100-year history.
- In July 2022, OPG released an update to its **Green Bond Framework** to include eligible nuclear projects such as the Darlington Refurbishment project and issued **\$300 million of senior notes** in the same month.



# Energy Industry Leader

OPG's strategy is to be a **transformational North American clean energy leader** that drives **efficient, economy-wide growth** and **prosperity for Ontario and beyond**.

- The Darlington New Nuclear Project (DNNP) is progressing on schedule, with early site preparation work set to begin later this year. In March 2022, OPG also announced the **selection of contractor E.S. Fox Limited** for the first phase of DNNP site preparation and support infrastructure.
- Investing in **hydroelectric and other renewables** – In April 2022, OPG submitted the **Northern Ontario Hydroelectric Opportunities report** with the Ontario Ministry of Energy as well as the IESO, to be considered as part of the IESO's work toward developing an achievable pathway to net-zero emissions in Ontario's electricity sector.
- **Lower-carbon Hydrogen** Development – **Atura Power** announced **partnerships** with two Canadian engineering firms to further the **advancement** of the detailed design and technical selection of key project equipment at the **Niagara Hydrogen Centre** in Niagara Falls, Ontario.





**1**

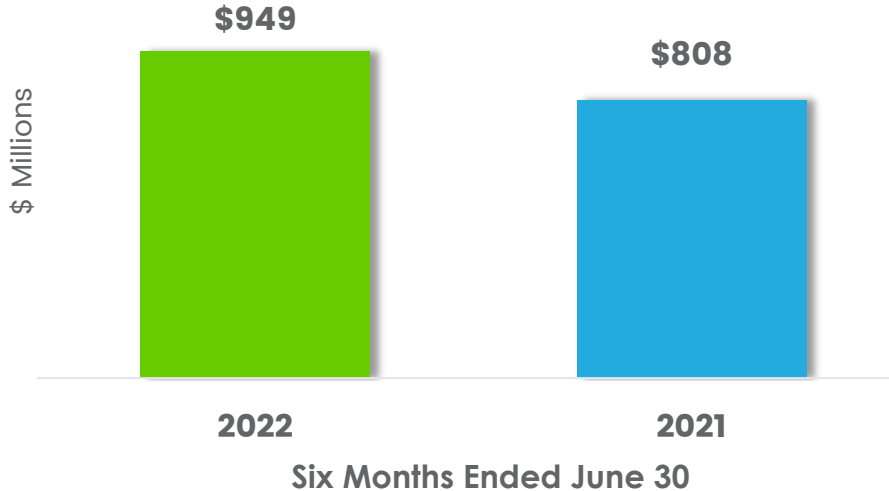
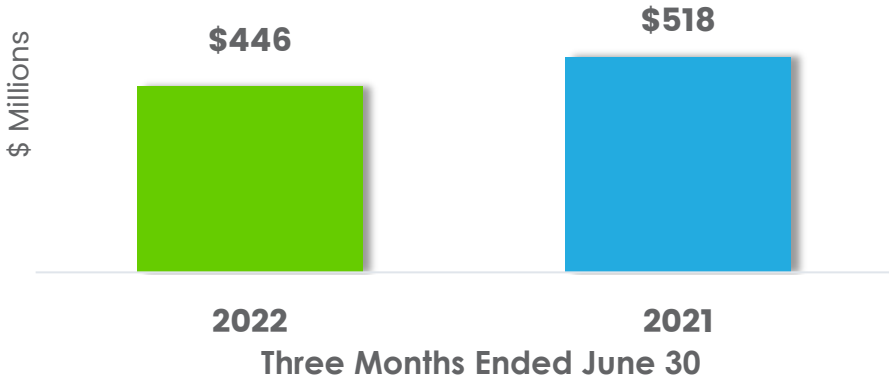
# Financial and Operating Performance

# Net Income Attributable to Shareholder

Lower Net income for the second quarter was primarily attributable to:

- lower electricity generation from our nuclear assets due to the commencement of **Unit 1 refurbishment in February 2022**;
- **market gains on non-core equity investments** recognized in the second quarter of 2021, partially offset by;
- net impact of **higher nuclear base regulated prices** effective January 1, 2022.

**Higher electricity generation** from the regulated nuclear stations in the first quarter of 2022 was the main driver of the higher Net Income year over year.



# Segment Earnings before Interest and Tax

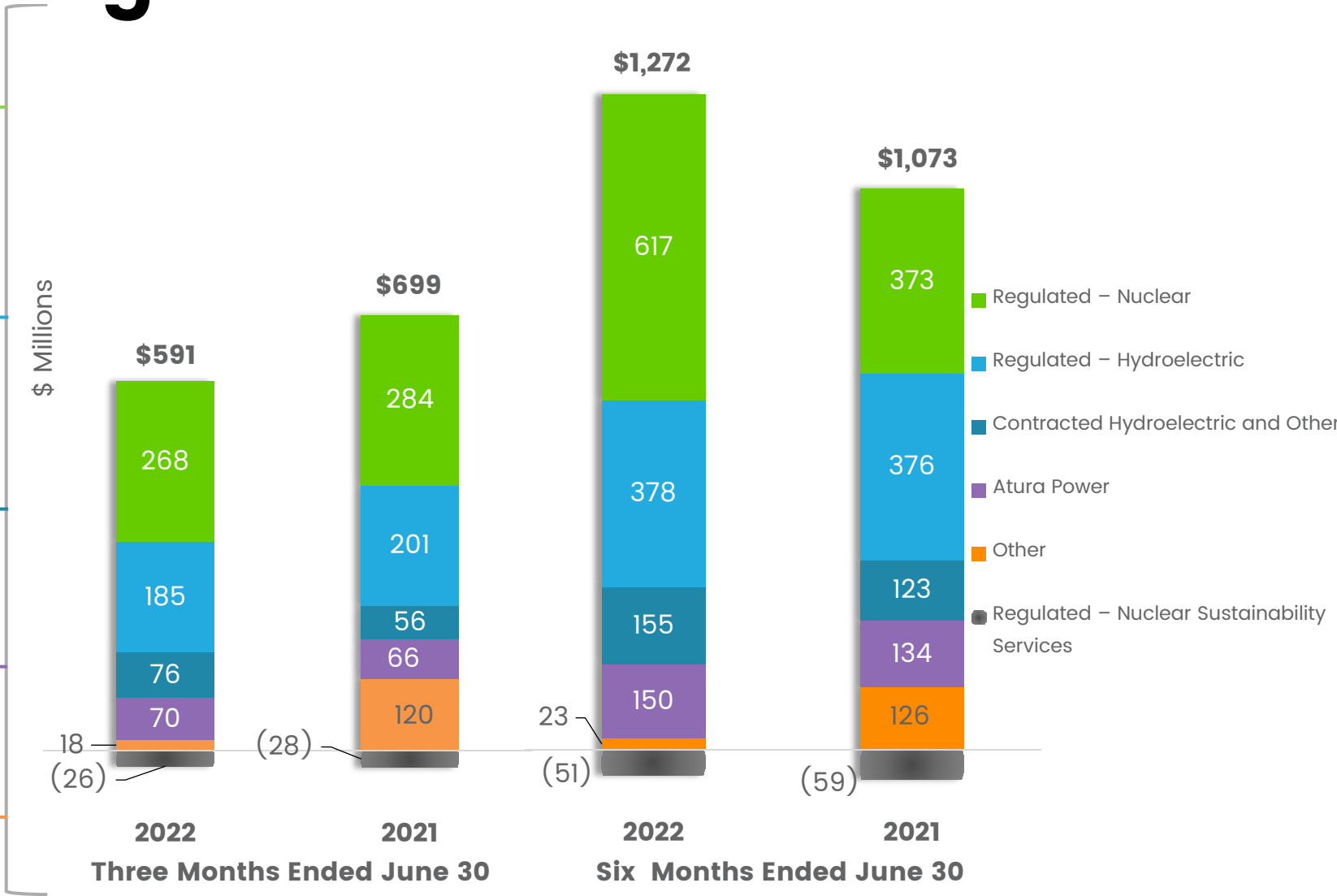
**Regulated – Nuclear:** In 2022, higher nuclear base regulated prices and lower OM&A expenses due to a planned cyclical maintenance outage for Unit 1 of the Darlington GS in 2021.

**Regulated – Hydroelectric:** In 2022, higher market prices on congestion management revenues partially offset by reduction of hydroelectric incentive mechanism payments and higher OM&A expenses.

**Contracted Hydroelectric and Other:** Higher earnings from US operations due to higher electricity market prices.

**Atura Power:** Higher earnings driven by higher demand in Ontario market.

**Other:** In 2021, market gains on non-core equity holdings in a publicly held smart energy storage company.



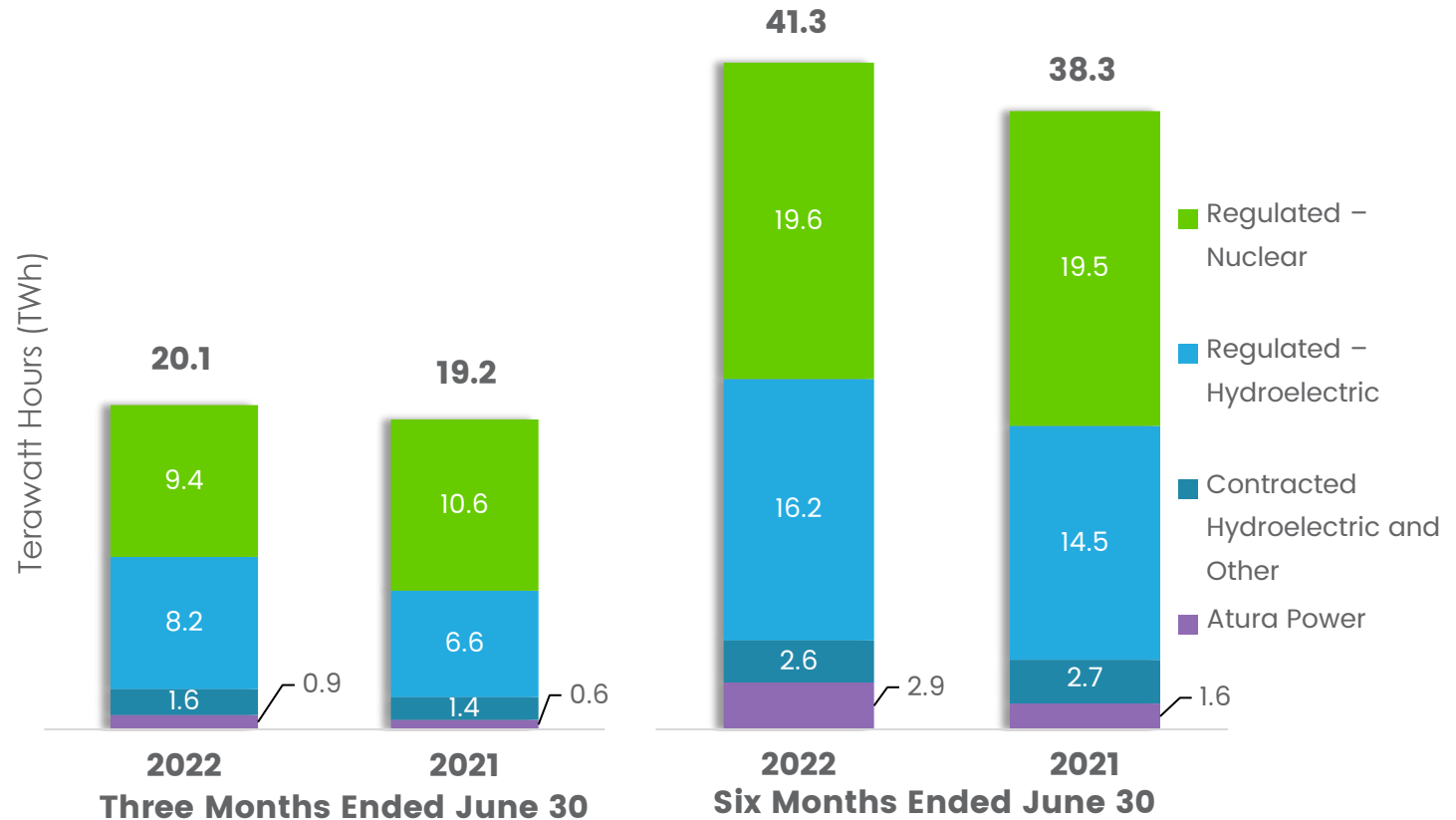
# Electricity Generation

**Regulated – Nuclear Generation:** The decrease for the second quarter, was primarily due to the commencement of the **refurbishment of Darlington GS Unit 1**.

**Regulated – Hydroelectric Generation:** Higher electricity generation in 2022 due to **significantly higher water flows** across most of Ontario.

**Contracted Hydroelectric and Other Generation:** The increase for the second quarter was primarily due to higher generation from the US facilities.

**Atura Power:** Higher electricity generation in 2022 mainly due to **higher electricity demand in the Ontario market**.





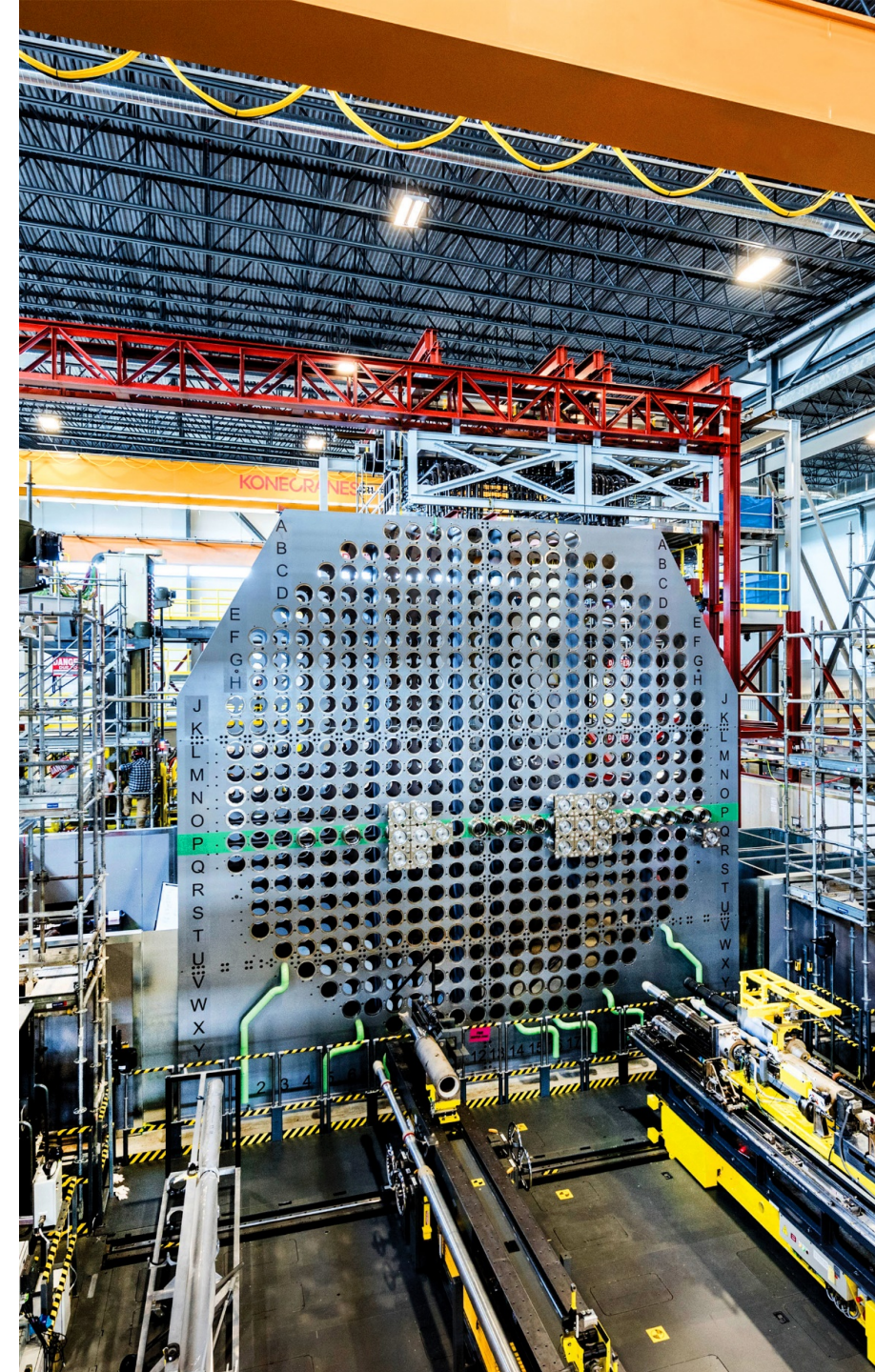
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# Darlington Refurbishment

# Darlington Refurbishment

**Unit 3 to be placed in service ahead of schedule and Unit 1 completed islanding work.**

- The refurbishment of Unit 3 is progressing ahead of schedule and is expected to be returned to service in late 2023; ahead of the originally planned date of Q1 2024.
- The Unit 3 refurbishment is in the third major segment, Reassembly. The project completed the upper and middle feeder installation series in the second quarter of 2022 and the fuel channel installation series in July 2022. The Unit has now commenced the lower feeder installation series.
- The islanding of Unit 1, which involves physically separating the unit from the two operating units, was completed in June 2022. Thereafter, the second segment, Disassembly, commenced.
- Planning and pre-requisite activities for the refurbishment of Unit 4 are progressing as planned.
- OPG continues to assess and seek ways to manage the impact of the COVID-19 pandemic on the total cost of the project, which is otherwise continuing to track to the \$12.8 billion budget.





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Project Excellence

# Sir Adam Beck I G1 & G2 Replacement

**G2 Replacement completed and Project execution on G1 continuing as planned; total 125 MW of generating capacity at the regulated facility**

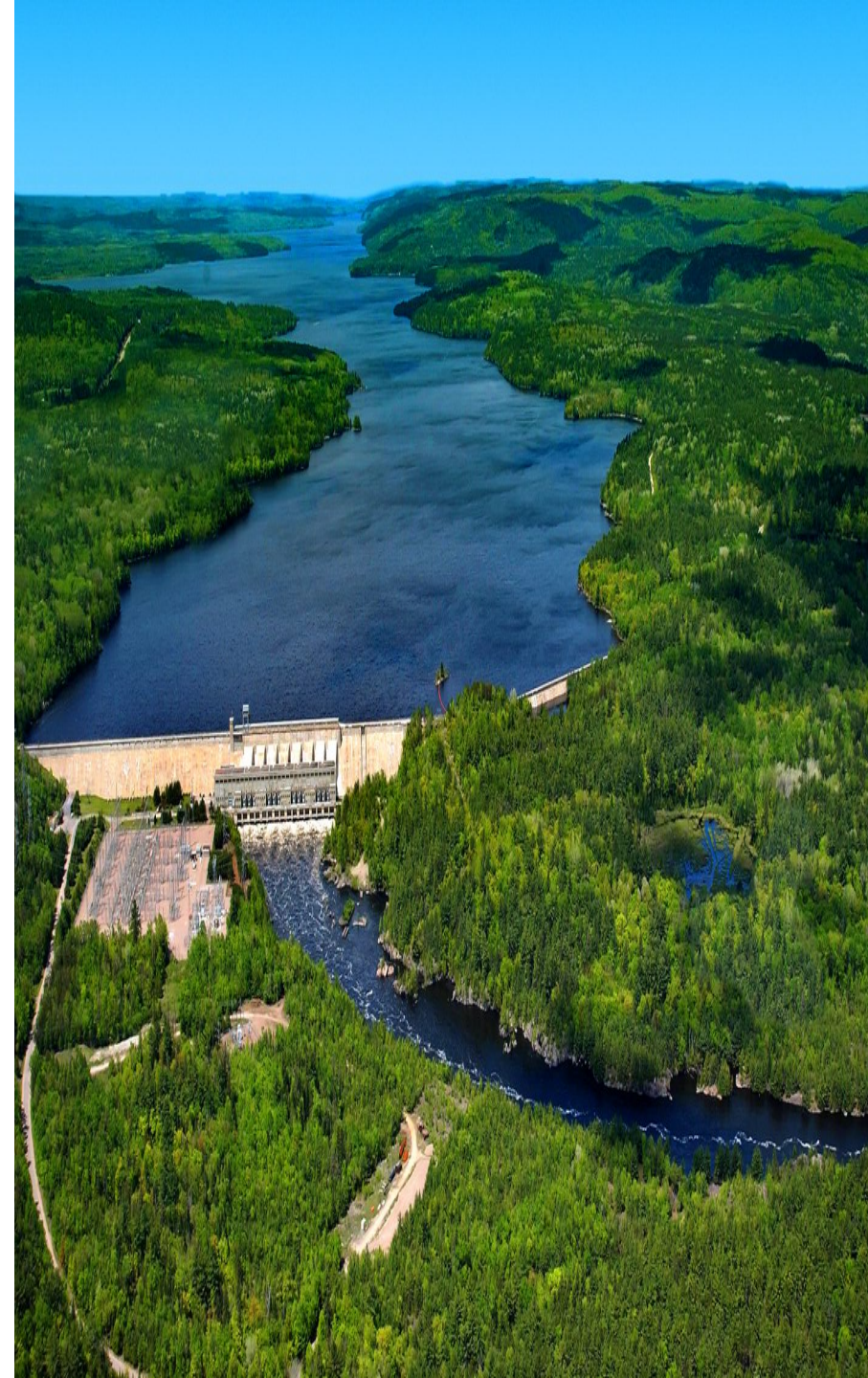
- In May 2022, OPG successfully completed the replacement of the G2 unit, adding approximately 58 MW of renewable in-service generating capacity to the regulated hydroelectric fleet.
- The completion of the G2 unit marks the first full unit replacement to take place in the station's 100-year history.
- The overall project will add approximately 125 MW of incremental peaking generating capacity and provide decades of cost effective, clean power.
- The G1 unit of the Sir Adam Beck I GS is expected to be placed in-service in the second half of 2022 and is tracking on budget.



# Little Long Dam Safety

**Project is progressing as planned; Included as part of the contracted facilities under an energy supply agreement**

- OPG completed the installation of the east bridge deck and concrete placements at the east gates.
- Excavation at the west cofferdam was also completed during the second quarter of 2022.
- OPG has commenced drilling at the west upstream wall and the replacement of the existing Adam Creek gates continues.
- The expected in-service date is in 2023; project is tracking within its \$650 million budget.



# Smoky Falls Dam Safety

**Initiated the execution phase of the project; will form part of contracted facilities under an energy supply agreement**

- Initiated a project to improve dam safety at the Smoky Falls GS located along the Lower Mattagami River in northeastern Ontario.
- The project will rehabilitate the 100-year-old spillway and sluiceway structures in compliance with provincial dam safety requirements.
- OPG completed the recommissioning of Gate 1 and the removal of the east bridge deck and existing gate structures. Closure of the existing bays and stabilization work of the dam continues.
- The project is expected to be placed in service in 2025; project is tracking within its budget of \$390 million.



# Calabogie Hydroelectric Station

**Re-development project is part of regulated assets; will double the station's capacity**

- Continuing to execute on a project to redevelop the Calabogie station, along the Madawaska River in eastern Ontario.
- OPG successfully completed testing of the new powerhouse crane and concreting of the stay rings and water passages of both the G1 and G2 units.
- Installation of the switchyard and equipment continues, as planned.
- The new in-service date is expected to be in early 2023; project is tracking within its budget of \$145 million.





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# Financial Profile

# Corporate Profile

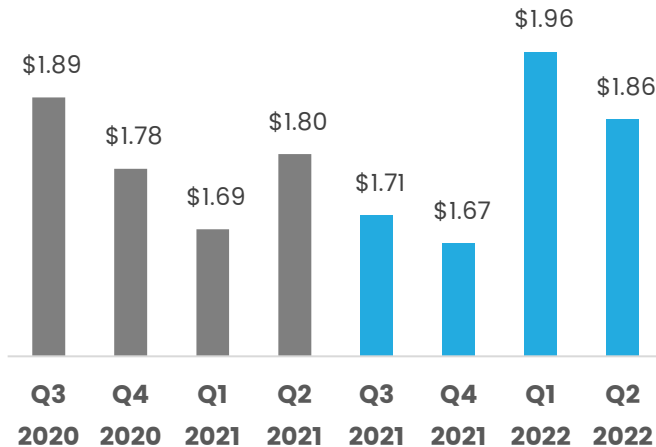
Ontario's largest **clean** energy generator

100% owned by the province of Ontario

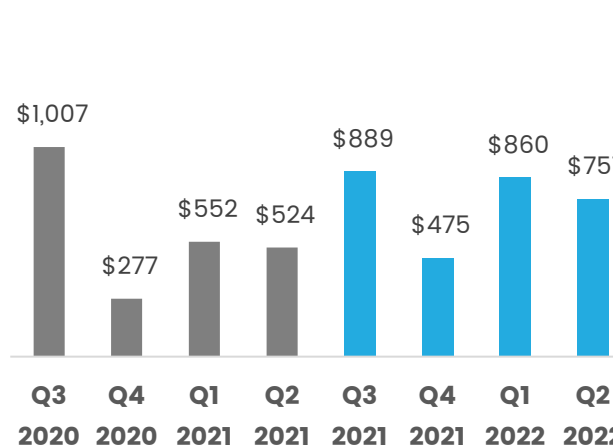
\$62.6 billion of assets <sup>1</sup>

Ratings  
**DBRS**  
**S&P Global**  
**Moody's**  
**A (low)**  
**BBB+**  
**A3**

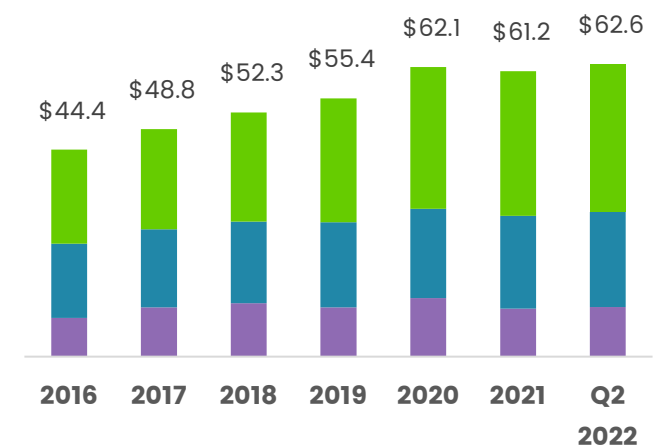
Revenue (\$B)



Cash Flow from Operations (\$M)



Total Assets (\$B)

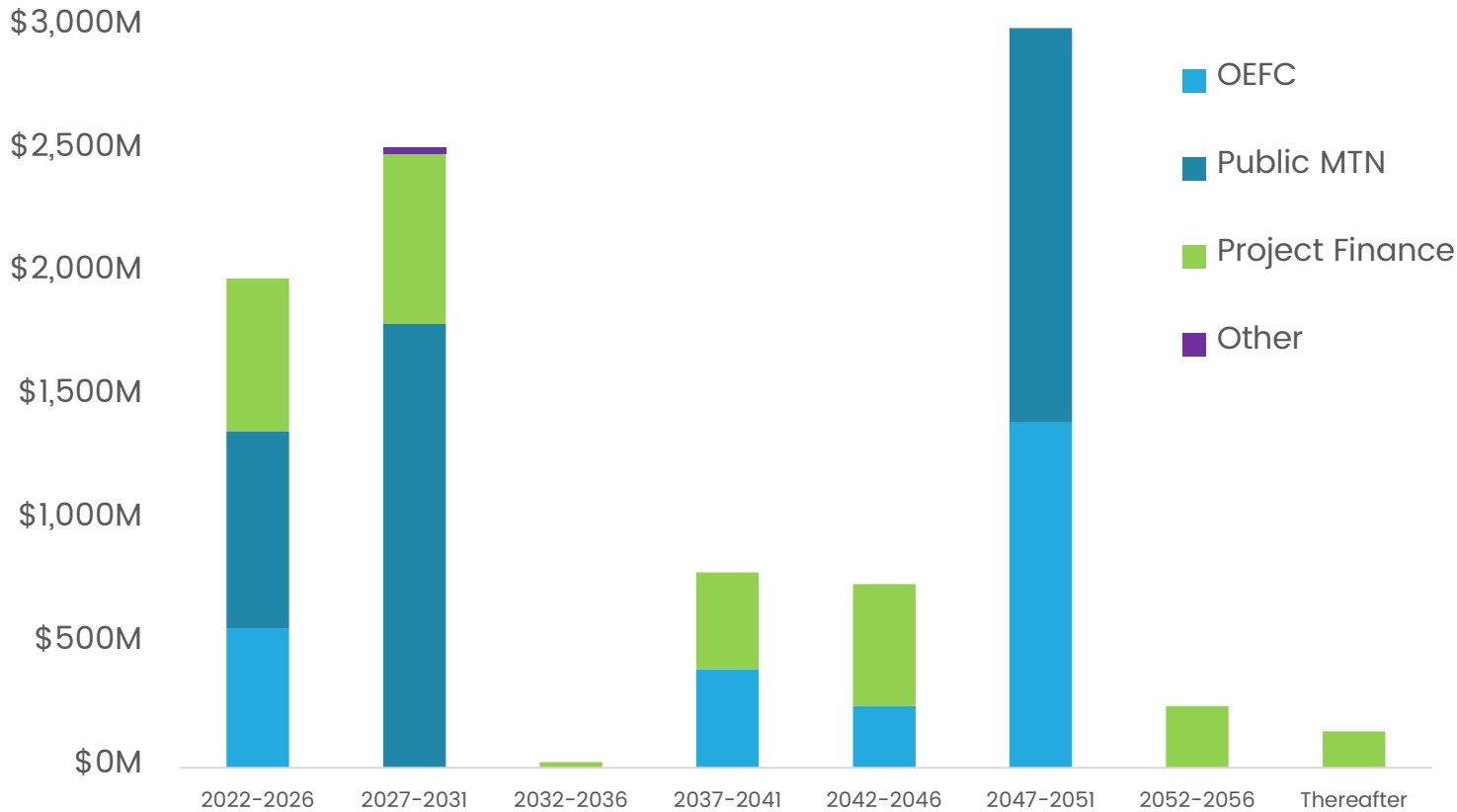


■ Fixed & Intangible Assets  
■ Nuclear Segregated Funds  
■ Other

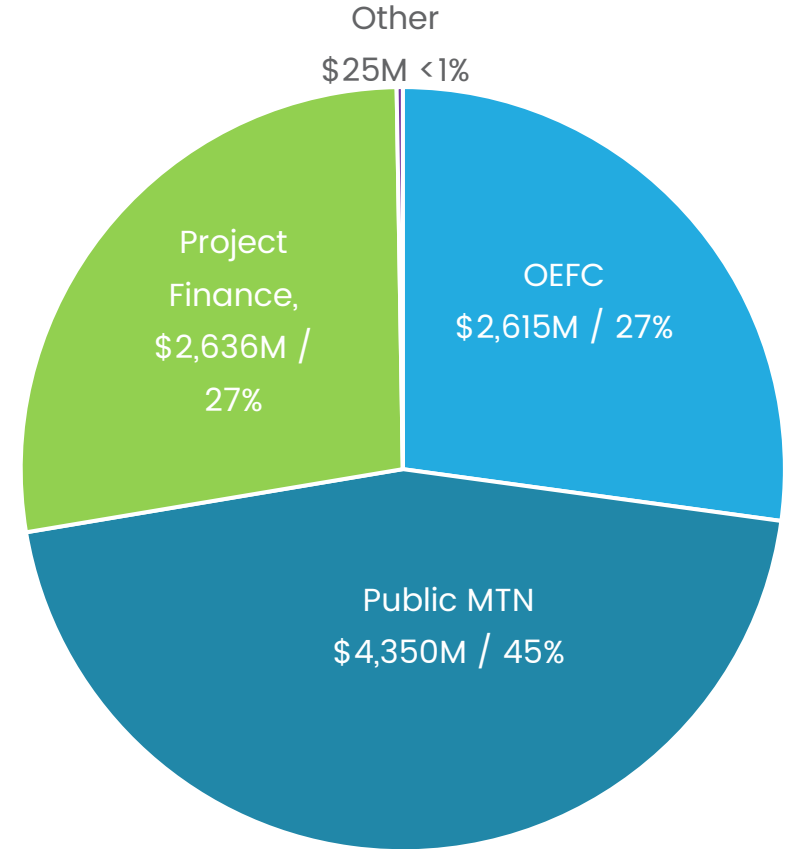
<sup>1</sup> As at June 30, 2022

# Long-Term Debt

Existing Debt Maturities As At June 30, 2022



Debt Source As At June 30, 2022



# Sources of Liquidity

## Medium Term Notes Program

- OPG established its MTN Program in 2017
- OPG has issued public bonds of \$4,350 million, including four tranches of Green Bonds \$2,150 million\*

## Commercial Paper (CP) Programs

- Canadian CP program capacity of \$1 billion
- US CP program capacity of US\$750 million

## Ontario Electricity Financial Corporation

- Agent of the Government of Ontario
- Rated Aa3 by Moody's and AA(low) by DBRS
- \$2,615 million in debt from the Ontario Electricity Financial Corporation (OEFC)
- Undrawn facility available of \$750M

## Liquidity and Financing Capability

## "Sustainability-Linked" Bank Credit Facilities\*\*

- \$1 billion corporate Revolving Credit Facility
- US\$750 million Revolving Credit Facility
- Syndicate of Canadian and international banks
- Plus facilities at subsidiaries such as Lower Mattagami

\*Amounts as of June 30, 2022. In 2022, OPG released an update to its green bond framework to include eligible nuclear projects, OPG issued C\$300 million nuclear green bonds on July 14, 2022

p20 \*\*Both facilities backstop CP programs

# 5 Outlook



# Outlook for 2022

## Earnings and cash flows expected to be higher than 2021

- Earnings and cash flows from the Regulated – Nuclear Generation business segment will reflect the higher OEB-approved nuclear base regulated prices effective January 1, 2022, and the impact of refurbishing two Darlington units concurrently.
- Contracted facilities under energy supply agreements to contribute a generally stable level of earnings and cash flows; revenue from US hydroelectric facilities receiving electricity market prices remains a small portion of the company's earnings.

## Continue to progress our commitments under the Reconciliation Action Plan

- OPG continues to make progress in meeting goals and actions in our Reconciliation Action Plan to advance reconciliation with Ontario's Indigenous communities, businesses and organizations.
- OPG is committed to growing our economic impact for Indigenous communities and business.

## Advance climate change initiatives

- Continue to progress work on SMRs, electrification and hydroelectric, low-carbon hydrogen and other renewable energy sources.



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Q&A



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