



Independent practitioner's assurance report

To the Management of Ontario Power Generation Inc.

Scope

We have been engaged by Ontario Power Generation Inc. ("OPG") to perform a 'reasonable assurance engagement' defined by Canadian Standard on Assurance Engagements, here after referred to as the engagement, to report on the allocation of net proceeds for the Lower Mattagami Energy Limited Partnership \$375M 2.433% Series 2021-1 Senior Secured Bonds, issued by Lower Mattagami Energy Limited Partnership (LMELP) on May 14, 2021 and maturing May 14, 2031 (the "Subject Matter"), as reported in 2021 Use of Proceeds Report (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of the engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion or opinion on this information.

Criteria applied by OPG

In preparing the Subject Matter, OPG applied the Ontario Power Generation Green Bond Framework dated April 2021, referred to herein as (the "Criteria").

OPG's responsibilities

OPG's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Canadian Standard on Assurance Engagements ("CSAE"), *Attestation Engagements Other than Audits or Reviews of Historical Financial Information* ("CSAE 3000"). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.



Our independence and quality control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior and have the required competencies and experience to conduct this assurance engagement.

EY also applies Canadian Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

For purposes of providing reasonable assurance over the Subject Matter, our procedures included:

- ▶ Conducting interviews with relevant personnel to obtain an understanding of the reporting process and internal controls;
- ▶ Testing that the Criteria has been correctly applied to allocated proceeds by inspecting source documentation; and
- ▶ Reviewing presentation and disclosure of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter - basis of accounting

We draw attention to Note 2 of the Use of Proceeds Report, which describes the basis of accounting. The Use of Proceeds Report was prepared to assist OPG in disclosing its use of proceeds allocation activities related to the Green Bond. As a result, the Use of Proceeds Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Opinion

In our opinion, the Subject Matter is presented, in all material respects, in accordance with the applicable Criteria.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 29, 2021

Ontario Power Generation
Schedule of Use of Green Bond Proceeds
As of December 31, 2021
(million of dollars)

	Lower Mattagami Energy Limited Partnership
Balance as of December 31, 2020	-
Add: Net proceeds from 2021-1 Green Bonds	372.8
Net proceeds available for allocation	372.8
Proceeds used for the allocation to Eligible Projects:	
Refinance bond maturity	223.7
Little Long Dam Safety Project	149.1
Total allocated proceeds	372.8
Remaining unallocated proceeds	-

Notes to the Schedule of Use of Green Bond Proceeds

1. Background

In May 2021, Lower Mattagami Energy Limited Partnership, a wholly-owned subsidiary of OPG, completed a private placement offering with the issuance of \$375 million of green bonds based on OPG's Green Bond Framework. The offering consisted of a \$375 million 10-year tranche with a coupon interest rate of 2.43 percent. The net proceeds were used to refinance the Lower Mattagami River Project and finance the Little Long Dam Safety Project.

As at December 31, 2021, the net proceeds from the above green bond offering were fully allocated to Eligible Projects.

2. Basis of Accounting

Proceeds from OPG and its subsidiaries' Green Bond issuance are restricted in purpose and will only be used to finance Eligible Projects, a group of selected projects that offer tangible environmental benefits, as defined in the OPG Green Bond Framework. The Schedule of Use of Green Bond Proceeds was prepared to track on a cash basis the allocation of proceeds to the Eligible Projects that were approved under the OPG Green Bond Framework.

The Green Bond Principles, 2018: Voluntary Process Guidelines for Issuing Green Bonds as well as OPG's Green Bond Framework most recently updated in April 2021 describe the basis of allocating the use of proceeds and other relevant information for the green bond. This Schedule of Use of Green Bond Proceeds was prepared to assist OPG in disclosing its use of proceeds allocation activities related to the bond. As a result, it may not be suitable for another purpose.